THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

October 5, 1940

Japan Enters into Triple Alliance

An Editorial

Dr. Sun's Doctrine Perverted

Japanese Finance in S'hai

BY JOHN AHLERS

France Backs "New Order"

Britain Seen Passing to Offensive Against Germany; Balkan Entente Ends

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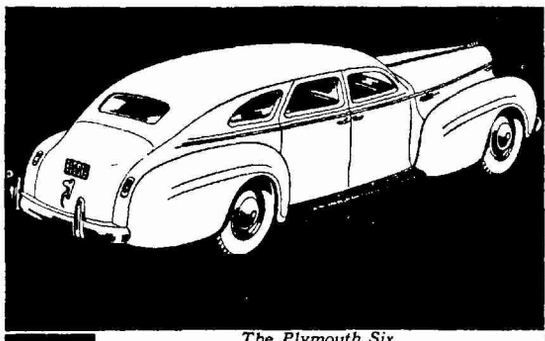

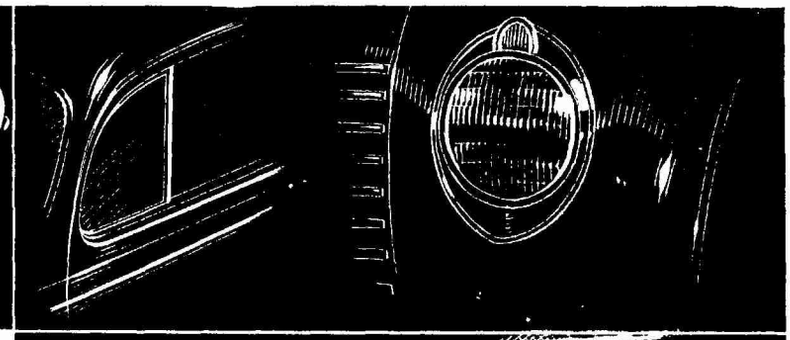

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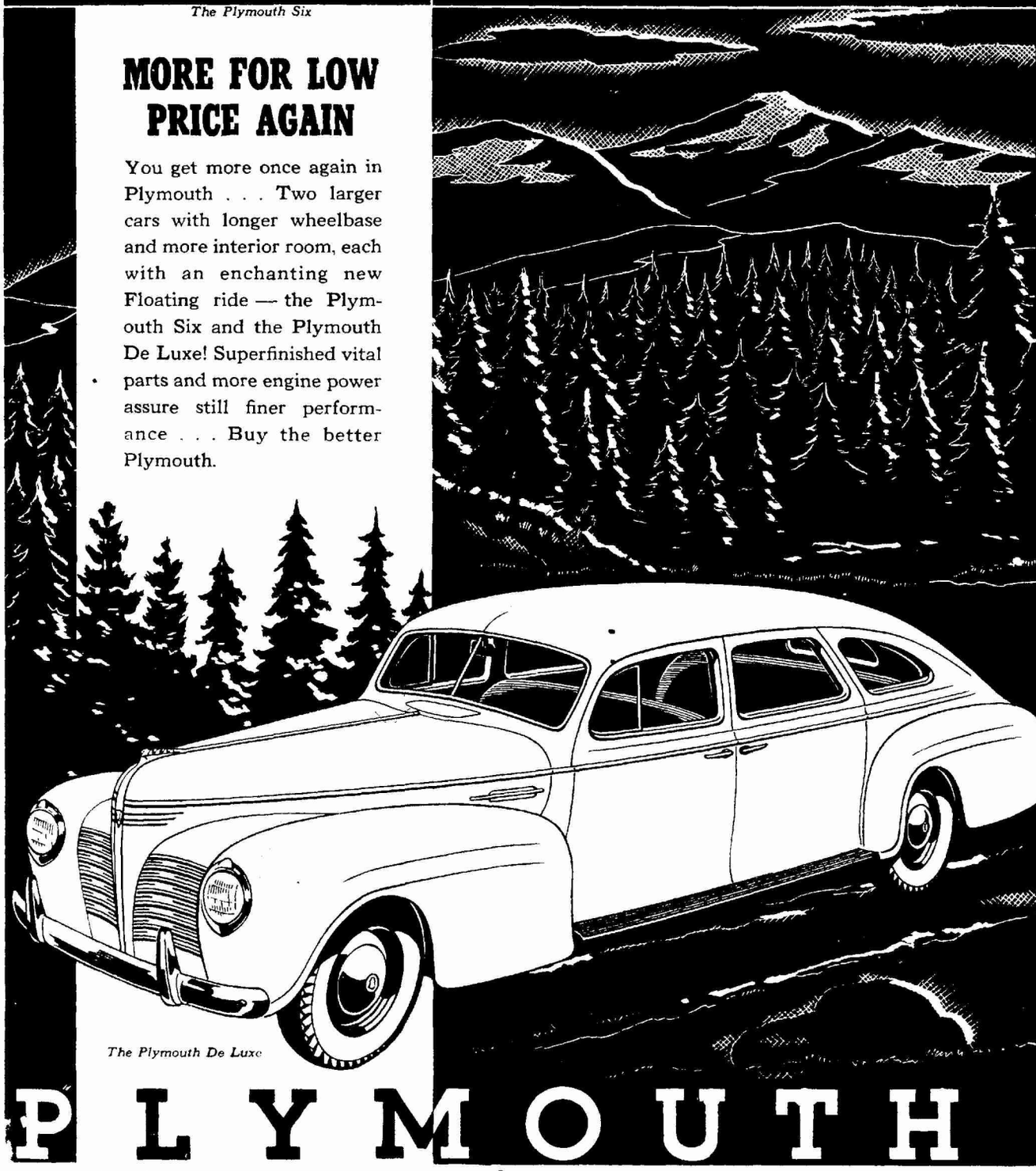

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What People Are Saying

Comments from readers on current topics cordially invited; their opinions, however, not necessarily represent the views of *The China Weekly Review*.

U.S. LAW IN SHANGHAI

To the Editor:

The recent case in the U.S. Court for China of the U.S. Government versus C.J. Doughty, presented an important legal issue, it being contended by the defense that the defendant should be charged under the Municipal Bye-laws while Mr. Chas. Richardson Jr., Special Assistant to the District Attorney, arraigned the defendant under the Code of the District of Columbia. Judge Milton J. Helmick who tried the case upheld the arraignment under the Columbia Code.

It will be recalled that in 1935, a similar case was tried by Mr. C. H. Haines, Registrar of the British Police Court, the defendant Mr. C. H. Green being fined £20 for being drunk while driving a car, under the Road Traffic Act of 1930. The decision of Mr. Haines was upheld by a full court sitting in H. M. Supreme Court. The latter expressed the view that the prosecution reserved to itself the right to invoke the English act instead of the Municipal Bye-laws. The proviso was added that whichever law was adopted, it should be done wholly and not partly.

To the uninitiated and the layman the fine of U.S.$50 imposed by Judge Milton J. Helmick on Tuesday in the U.S. Court for China on C. J. Doughty, reputable American businessman, might seem unduly harsh, but in reality it shows a tenacious adherence to American laws. The prosecution was instituted under Sub-Division (b), Section 247 (title 6) District of Columbia Code. Defense Counsel N. F. Allman's appeal for reversion to Municipal Bye-laws was ignored despite his assertion that 99 per cent of Settlement residents were amenable thereunder.

Under the amended District of Columbia Code, the charge on which Doughty was arraigned, is punishable in some states by imprisonment without the fine option. The Municipal Bye-laws provide a fine of 25 local dollars—a mere bagatelle, but the question of money doesn't enter into it at all.

While fully endorsing the remarks of the judge that Doughty is a person of unblemished character and even adding that he is a "hale fellow, well met," the extent of the penalty—must shrink to insignificance before the upholding on an inviolate principle that Americans in this country are amenable to their own laws irrespective of the other 99 per cent of the populace. The extrality rights enjoyed by U.S. citizens here thus become a palpitant reality and not a myth as some are prone to think.

Mr. Chas. Richardson Jr., Special Assistant to the District Attorney, framed the charge under the District of Columbia Code. All praise to him. He emerged from the scene of the legal fray with flying colors—the U.S. Court for China upheld his action and decided that American laws were applicable despite the other 99 per cent.

Insignificant as it may appear, those juridically minded see behind the case of the U.S. Government versus C. J. Doughty the handwriting on the wall—an implacable demonstration by the American judical authorities here that extrality rights of Americans imply absolute subservience to American laws.

H. M. SILVA

China Law Journal,
Shanghai, Sept. 27. 1940.

BLACKMAIL AND FORCE

To the Editor:

Mr. John Ahlers, an expert in Far Eastern economics, discusses in the **China Weekly Review** three possible courses for Japan to pursue in the immediate future: first, to placate the Allies and seek their passive approval of the quick conquest of China (which he does not think she could achieve); secondly, to join Germany and go full out for conquest of European possessions in the Far East (for which he thinks she has insufficient resources left); thirdly, to throw up the China adventure and concentrate on becoming the world's biggest war profiteer.

Mr. Ahlers rightly thinks the third the course of wisdom, but he just as rightly thinks that the Japanese military men have not sufficient sense to see it and have the power to reject it. It seems to us likely that they will instead try to combine the first two—get all they can by blackmail, and seize the rest by force.

A. MORGAN YOUNG

Far Eastern Service,
60 St. Martin's Lane
London, Aug. 14, 1940.

JAPAN'S TROUBLES

To the Editor:

Japan is perplexed by her inability to settle the China "incident" and her difficulties in her "southward expansion" program. These problems caused the fall of four cabinets. Japan regarded the closure of the Yunnan Railway and the Burma road as "diplomatic victories." Now she has forced her demands on French Indo-China, and Thailand, at her instigation, has presented demands to the French colony. All the Powers concerned should act in concert to cope with this situation.

P.H.A.A.

Shanghai, Sept. 23, 1940.

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS and HOH CHIH-HSIANG, *Assistant Editors*

F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

JAMES Y. M. WU, *Circulation Manager*

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U.S. AND THE SOVIET

To the Editor:

Anglo-American cooperation on the Pacific will be more than ample to check Japan on the sea. But this should be supplemented by Soviet-American cooperation—to defeat Japan on land. The Soviet army showed its superiority when it defeated Japan at Changkufeng. Japan is already weakened by China's long resistance. Now is the time for America and the Soviet Union to work together to beat down their common enemy in Asia.

MU WEN-FU

Chungking, Sept. 14, 1940.

THE LEGION

To the Editor:

Recent **United Press** report stated that the American Legion, at the recent Boston Convention, adopted a resolution approving U. S. aid to China and urging the enforcement of embargoes on shipments of war materials to Japan. Both have since been put into effect. Many influences were responsible for causing the Legion to change its 16-year-old policy of "strict neutrality," but not least among the influences were letters to the National Commander and other officers of the Legion written by a member of the Legion who resides in Shanghai. The man desires to remain anonymous, but your readers may be interested in knowing there is one here who had sufficient interest in the situation to take time off to write a few letters about it.

L.

Shanghai, Oct. 1, 1940.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, October 3, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$18.18

Demand buying rate on New York: U.S.$1.00—Sh. 17.77

Demand selling rate on London: £1.0.0—Sh.$68.57

Demand buying rate on London: £1.0.0—Sh.$66.78

AMERICAN STOCK AND COMMODITY QUOTATIONS

October 2, 1940

STOCKS

Amer. Locomotive	16⅜
Amer Waterworks	8⅞
Anaconda Copper	23⅛
Bethlehem Steel	81½
Chrysler	80¾
Elec. Bond & Sh.	5¼
Gen. Motors	50
Goodyear T. & R.	16¼
Gt. Nthrn. Rly., pfd.	29
Lockheed Aircraft	29⅝
Mont. Ward	41⅝
N. Y. Central	15⅜
Texas Corp	36⅛
U. S. Steel	60½

COMMODITIES

New York Cotton, Oct.	9.56/56
New York Rubber, Dec.	19.52B
New York Hides, Dec.	10.80B/81A
Chicago Wheat, Dec.	81⅞/82
Chicago Corn, Dec.	58A
New York Sugar, No. 4, Dec.	0.80½B/81A

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JAPAN ENTERS TRIPLE ALLIANCE WITH THE EUROPEAN AXIS

AN event which signalizes a decisive turning point in the affairs of the troubled Pacific occurred in Berlin on Sept. 27 when Japan signed a military and economic alliance with Germany and Italy. On Sept. 25, Washington had announced a new US$25,000,000 loan to China, and on Sept. 26 President Roosevelt ordered a complete embargo on all exports of iron and steel scrap, except to Great Britain and other countries in the Western Hemisphere. Whether these two developments speeded Japan's decision to ally herself with the Axis, is to be doubted, for parleys toward that end had been proceeding for some time in Tokyo and Berlin, and Tokyo had evidently already decided to enter this alliance.. It is possible, however, that by the new loan to China and the tightening of the embargo, Washington entertained a feeble hope that Japan might be held back from the step she has now taken, which places her in more vigorous opposition to the United States.

Reporting the signature of the alliance, *United Press* asserted very bluntly that it was "designed by Germany to paralyze the United States into immobility and hasten the attempted dismemberment of the British Empire." On the face of it, this seems to be its true meaning as far as Germany and Italy are concerned, for provision is made that the alliance shall become active only in the event that one of the three contracting Powers is attacked by a Power not at present involved in the European War or the Sino-Japanese conflict. Such a Power could only be the United States, for another article of the treaty provides that the alliance shall not in any way affect present relations between the European Axis Powers and Soviet Russia.

The motive of the European Axis, then, is perfectly clear. But what of Japan's motive? If Britain continues to succeed in repelling the Nazi attack on England, as she shows every sign of being able to do, the United States will have a relatively free hand in the Pacific. And if Japan should involve herself in war with the United States, she could get precious little help from the European Axis Powers—alliance or no alliance.

Japan's main task now is to end the China war and pursue her southward expansion policy. The great obstacle in her path is the United States, which is now moving toward closer cooperation with Britain in the Far East. Reduction of this obstacle is Japan's immediate task. There is already talk in Washington of an agreement with Soviet Russia. Tokyo is similarly flirting with the Red Bear. One Japanese newspaper went so far as to suggest the division of China into Japanese and Soviet spheres of influence and the conclusion of a Soviet-Japanese non-aggression pact. Moscow has remained silent, but its representative in Washington, Ambassador Constantine Oumansky, is known to be conducting conversations with Secretary of State Cordell Hull.

Thus the new Axis alliance has inaugurated a further period of high diplomatic intrigue. Soviet Russia is playing the game that was so successful in 1939. If months of negotiation with the European democracies ended in Moscow signing a pact with Hitler, is it not likely that similar negotiations with Washington will end in—a Moscow-Tokyo pact? The governing motive of Stalin's foreign policy is still fear of involvement in war with a major Power. Stalin always makes an agreement with the Power which represents the most immediate threat. America is no threat to the Soviet Union. Japan still is—notwithstanding the fact that she has been weakened by the war in China. If Stalin signed up with Washington, Japan might feel obliged to put her southward expansion policy in cold storage for a while and proceed against Vladivostok and Siberia. But if Stalin signed up with Japan instead, on the basis of mutual concessions, Japan would be left free to pursue her southward expansion policy and would come into early conflict with the United States. That would suit Stalin's plans very well indeed: Japan would be tied down for a long time to come, and the Soviet Far East would be safe from attack. Even more, Japan would most likely be defeated in war with the U.S.A. and that would be better still.

If it is indeed Stalin's plan to enter into a comprehensive deal with Japan, he will seek to drive the hardest possible bargain. In this it would be highly

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MUSSOLINIAN ROLE
INVASION PLANS
FAR EAST POLICY

South Wales News

British cartoon, published more than a month ago, forecasted Japan's joining the Axis powers.

advantageous for him to negotiate simultaneously with Washington and Tokyo. There is one great difficulty, however. Washington is now well aware of Moscow's duplicity. The Stalin-Hitler pact, coming as the climax to the Anglo-Soviet negotiations more than a year ago, is not so easily forgotten. It is extremely unlikely that Washington would permit negotiations with the Soviet to be dragged on interminably just to enable Stalin to make a more satisfactory agreement with Tokyo at the expense of the United States.

This leads one to conclude that events in the diplomatic sphere are likely to move at an accelerated pace. The choice for Moscow is plain: either an alignment with the United States against Japan (and therewith against the European Axis, too), or alignment with Japan in order to escape any major war involvement. It ought to become clear very soon which way the Red Bear will jump this time.

Both Tokyo and Berlin felt it necessary to make some explanations after the alliance had been signed. Mr. Yakichiro Suma, spokesman of the Japanese Foreign Office, told foreign correspondents that the alliance did not mean that Japan, at the present time, would participate in the European war or attack any other country. And Berlin officials, according to *United Press*, declared that the alliance would not prevent Soviet Russia from continuing her aid to the Chungking Government, as long as such aid is not "decisive." This question of Soviet material assistance to China is likely to loom large in any Japanese-Soviet negotiations.

A crisis is rapidly developing in the affairs of the Pacific. The new Axis alliance is likely to hasten arrangements for Anglo-American cooperation in this part of the world, regardless of the position ultimately taken by Soviet Russia. The closer together Britain and the United States come in defense of their interests in the Far East, the more rapidly will matters come to a head. This is clearly foreseen on both sides of the Pacific. The Tokyo *Asahi* put the position bluntly on Sept. 27 when it stressed the inevitability of a frontal clash between "the position of Japan, compelled to overcome all obstacles in the establishment of an Asiatic chain of mutual prosperity, comprising the South Seas, for a settlement of the China conflict, and the hostile meddling of the United States bent on preventing the success of Japanese efforts by persistently interfering in the Far East."

Equally strong statements have come out of the United States and Britain. Sumner Welles, Assistant Secretary of State, declared that the United States would defend the legitimate rights and interests of its nationals in the Far East, insist upon respect for treaties and agreements to which the United States was a party, and added that the United States was preparing for "any eventualities." Officials in London told *United Press* that Britain after a year of war had toughened up and was in no mood for further appeasement of Japan.

Tokyo, too, sees what is ahead, and is preparing the Japanese people for a further tightening of their belts. Premier Konoye told the nation over the air last Saturday night that Japan was confronted with an emergency that "cannot tolerate even one of its people dressing richly and eating copiously." War Minister Tojo followed this up in an order of the day to the Army in which he said that the road to Japan's goal is "strewn with innumerable difficulties," and that "never before in our history was it as necessary as today that the entire nation stand united in a single front."

The Nanking puppets, according to a *Domei* report on Sept. 28, believe that the new alliance will contribute to the progress of the "new order" in East Asia. They even went so far as to assert that the alliance "guarantees that Germany and Italy will recognize the National Government (sic) on the basis of the fundamental treaty between Japan and China which was recently signed." This may be so, but mere recognition by the European Axis Powers will not serve to inject any more vigor into the anemic puppet crew than they possess now. They will continue to be puppets, dancing in response to string-pulling from Tokyo.

One wonders whether the puppets are as enthusiastic over the present trend of events as they appear to be. If Japan engages in war with the United States and Britain, her defeat is certain, whether the war be long or short. Defeat will mean the end of the grandiose Japanese plans for a "new order" in East Asia. It will mean the resurrection of a free China. And it will spell *finis* for all the puppets who are now so pathetically strutting on the political stage of China.

THE COMPLETE TEXT OF THE TRIPLE AXIS ALLIANCE

The text of the historic treaty reads as follows:

"The Governments of Germany, Italy and Japan, considering it as a condition precedent of any lasting peace that all nations of the world be given each its own proper place, have decided to stand together and cooperate with each other in regard to their efforts in Greater East Asia and regions of Europe, respectively, in which it is the prime purpose to establish and maintain a new order of things calculated to promote mutual prosperity and the welfare of the peoples concerned.

"Furthermore, it is the desire of the three governments to extend cooperation to such nations in other spheres of the world as may be inclined to put forth endeavors along lines similar to their own, in order that their ultimate aspirations for world peace may thus be realized.

"Accordingly the governments of Germany, Italy and Japan have agreed as follows:

"Article One: Japan recognizes and respects the leadership of Germany and Italy in the establishment of a new order in Europe.

"Article Two: Germany and Italy recognize and respect the leadership of Japan in the establishment of a new order in Greater East Asia.

"Article Three: Germany, Italy and Japan agree to cooperate in their efforts on the aforesaid lines. They further undertake to assist one another with all political, economic and military means when one of the three contracting Powers is attacked by a Power at present not involved in the European War or the Sino-Japanese conflict.

"Article Four: With a view to implementing the present pact, joint technical commissions, the members of which are to be appointed by the respective governments of Germany, Italy and Japan, will meet without delay.

"Article Five: Germany, Italy and Japan affirm that the aforesaid terms do not in any way affect the political status which exists at present as between each of the three contracting parties and Soviet Russia.

"Article Six: The present pact shall come into effect immediately upon signature and shall remain in force for ten years from the date of its coming into effect.

"At the proper time, before the expiration of the said term, the high contracting parties shall at the request of any of them enter into negotiations for its renewal.

"In faith whereof, the undersigned, duly authorized by their respective governments, have signed this pact and have affixed thereto their seals.

"Done in triplicate at Berlin the 27th day of September, 1940, in the eighteenth year of the Fascist era, corresponding to the 27th day of the ninth month of the fifteenth year of Showa."

Dr. Sun Yat-sen's Doctrine of Pan-Asianism and Its Perversion by the Wang Ching-wei Clique

BY C. C.

WANG Ching-wei and his clique have been using the term "Pan-Asianism," mentioned by Dr. Sun Yat-sen in his speech delivered in Kobe on November 28, 1924, in its distorted meaning and draw a false parallel between the doctrine sponsored by the late Chinese leader and the catchword of their own invention. From the whole of Dr. Sun's teaching they have picked up this speech in order to prove that Dr. Sun fifteen years ago expressed himself in favor of what is today the meaning of Konoye's "New Order in East Asia." By doing so, Wang and his followers hope to find justification for their treacherous acts in Dr. Sun's beliefs and aspirations.

Dr. Sun Yat-sen

As a result, skepticism and doubt may fill the minds of those who are ignorant of Dr. Sun's teachings, and they will fail to understand how the man who gave all his life to struggle for the independence and freedom of China could furnish Wang Ching-wei with material for an attempted justification of his own political treachery.

First of all, we have to learn of the circumstances in which Dr. Sun delivered his speech on "Pan-Asianism" and realize what an insignificant place it occupies in the entire bequeathed teaching of the Kuomintang leader. In the winter of 1924, General Feng Yu-hsiang, in collaboration with the Kuomintang, succeeded in overthrowing the military regime headed by Tsao Kun and Wu Pei-fu, and the future of the country looked hopeful. Dr. Sun, wishing to make use of this period for promoting the internal unification of China, went to the North. Owing to a change in the date of departure of his ship, he stopped in Japan, where he enunciated his policy vis-a-vis the political situation in China and solicited opinions on this subject from the Japanese people. He made several speeches in Nagasaki and Kobe, and one of these speeches dealt with "Pan-Asianism" as a main subject. Apart from this speech, "Pan-Asianism" was never mentioned elsewhere in his teachings, and it is conspicuously absent even in Dr. Sun's will. This will allegedly was written by Wang Ching-wei personally, and yet he has abandoned all that had been bequeathed by Dr. Sun and picked up the term "Pan-Asianism" alone to justify his own selfish political behavior.

But why did Dr. Sun deal with a subject which has now become the slogan of the Japanese puppet regime?

Dr. Sun regarded the Asiatic Continent, not as a geographical expression, but as an area in which lived nine hundred million oppressed Asiatic peoples, who, being numerically superior, should lead the movement of liberation of all oppressed nations. Tai Chi-tao in his book "Philosophical Basis of the Sun Wen Doctrine," offers a clear interpretation of Dr. Sun's ideas relative to "Pan-Asianism," but the speech itself, which I attach in full, leaves little doubt as to what Dr. Sun really meant.

Dr. Sun's "Pan-Asianism" recalls the real Monroe Doctrine, in that it advocates national and racial self-sufficiency and non-intervention in the affairs of others. "Asia for the Asiatics!"—all Asiatic peoples should unite for ensuring their independence and freedom.

Dr. Sun endorsed "Wang Tao," or the way of right, and denounced "Pa Tao," or the way of might. He encouraged the observance of benevolence, faithfulness and virtue in opposition to military oppression. In his opinion, oriental mentality and culture was characteristic of "Wang Tao," but would he have said it now, in the face of Japan's barbarous attack upon her peaceful neighbor? Dr. Sun strongly opposed the oppression and enslavement of Oriental nations by Western countries, but with no less vigor did he attack the aggression of any nation upon another.

In his speech, he applauded the progress Japan had achieved in the past 30 years, but he emphasized the thought that the development of industries and improvement of armaments should not be used as a means of aggression and oppression, as was the case with European countries in the 19th century. In concluding his speech, he warned Japan in very expressive terms by stating: "Now that you Japanese have borrowed 'Pa Tao' culture from Europe and meanwhile have retained the essence of 'Wang Tao' culture, whether you want to be the 'running dog' of the Western 'Pa Tao' powers, or to be the champion of the Oriental 'Wang Tao' doctrine, it is up to you Japanese people to chose with close scrutiny." Sino-Japanese friendship and cooperation, stressed Dr. Sun, was conditional upon Japan's abandoning her military pressure upon China and carrying out the policy of righteousness based upon principles of justice and humanity. Unfortunately Dr. Sun's warning was not given attention by the Japanese and their policy during these 15 years has been quite contrary to what Dr. Sun wished them to do. The foreign policy adopted by Japan is in direct opposition to the spirit of the "Asiatic Monroe Doctrine" or "Pan-Asianism" as propagated by Dr. Sun.

The Text of Dr. Sun's Pan-Asianism Speech

Editor's Note:—Following is a full translation of the speech by the late Dr. Sun Yat-sen referred to in the foregoing article. It was delivered in Kobe on Nov. 28, 1924 before the members of five Japanese organizations, including the Kobe Chamber of Commerce.

LADIES and gentlemen! Before dwelling on the subject of Pan-Asianism, I would like to draw your attention to the kind of place Asia is. Asia is the cradle of the oldest civilization in the world. Several thousand years ago, we Asiatics were already highly civilized. Even the oldest countries of Europe, such as Greece and Rome, also borrowed their civilization from Asia. From time immemorial, Asia has been well-known all over the world for its philosophical, religious, ethical and industrial achievement. It is understood that modern culture is a mere derivative of our old civilization. Only during the latest several hundred years have our Asiatic peoples and states declined in prosperity, while the nations and states of Europe have risen to power. As soon as their power grew, they began to extend their influence into the Orient. They have either subjugated or dominated

all the Asiatic countries one after another. Thirty years ago, we may say, not one of the Asiatic countries was entirely independent. Indeed, the tide of world civilization at that time had gone to extremes.

However, the saying, "When a thing reaches its limit, it turns around," still holds good. Therefore, when Asia experienced its most declining circumstances, a turning point came, and from it this old continent began to ride on the path of rejuvenation. This turning point was marked thirty years ago by Japan's abrogation of all the unequal treaties into which she had entered with foreign powers. From that day on, we marked the day of rejuvenation of all our Asiatic peoples. Since that time, Japan has become the first independent country of the Asiatic continent. Other Asiatic countries such as China, India, Persia, Afghanistan, Arabia and Turkey, being left at the mercy of the European powers, were not independent countries. Before that, Japan also had been a colony of the European powers. Yet far-sighted as they were, the Japanese people, being aware of the essential factors leading to the rise of power or decline of a country, began to struggle against the Europeans and subsequently succeeded in abrogating all the unequal treaties and making Japan an independent country. Since Japan declared her complete independence in East Asia, all the Asiatic countries have cherished a bright hope, thinking that they might follow what Japan had done; hence, they were inspired and encouraged to start independence movements in an endeavor to free themselves from the bondage of the Europeans and make themselves the real master of Asia. Such ideas which they have entertained during the last thirty years are, without doubt, filled with optimistic hopes.

Thirty years ago, our Asiatic people thought of the European countries in a different way. Their opinion was that the Asiatic countries were by no means rivals to the European powers, since the latter had highly developed culture, progressive science and industry, and mighty armed strength. Without anything superior to its opponents, Asia, they believed, would never be able to resist the Europeans nor would it be able to free itself from the pressure of the European powers. The Asiatics would become slaves of the Europeans forever. These pessimistic ideas were entertained by the Asiatics thirty years ago. Though Japan has become an independent country since her abrogation of the unequal treaties, the Asiatic peoples were still not much inspired by this fact until the outbreak of the Russo-Japanese war ten years later. Japan won the war over Russia. This was the first time during the past several hundred years that the Asiatics won a war over the Europeans. This news electrified all the Asiatics throughout the continent, filling them with greater hopes in their liberation. Let me tell you something which I personally experienced at that time. During the year in which the Russo-Japanese war broke out, I was in Europe. When the news, reporting the victory which the Japanese navy under the command of Admiral Togo won over the Russian naval forces in Japan Sea, reached Europe, all the Europeans were completely stunned and in extreme grief. Though an ally of Japan, Britons also frowned at such unhappy news. In their eyes, Japan's victory would bring no advantage to the White people, for the Britons are always of the opinion that blood is thicker than water. Later on, on my way back to Asia from Europe via the Suez Canal, I was greeted by a large number of natives, who were most likely Arabians. Leaping with joy at the sight of me who in appearance was easily identified as a yellow-skinned person, they asked me whether I was a Japanese. "No," I replied, "I am a Chinese. Why should you feel so happy?" They said, "We have received good news, which alleges that Japan has wiped out the Russian navy. We do not know whether or not this report is true. Meanwhile, along the canal, we sighted Russian wounded soldiers aboard vessel after vessel heading for Europe, which proved the great defeat suffered by the Russians. Formerly, our colored races of the Orient, being all the time subject to the oppression of the Occidentals, thought that they would have no chance to liberate themselves. But now Japan has won the war over Russia, which we consider as a victory scored by the Orientals over the Westerners. Japan's victory means also our victory. That is why we feel happy." Is it not true that Japan's victory over Russia greatly affected the way of thinking among all the peoples of Asia? Asiatics in the Orient may have ignored the importance of Japan's victory over Russia; yet, those residing in or near the Western countries, who have been daily suffering under the oppression of the Europeans, naturally show greater joy upon the receipt of such news.

Since Japan won the war over Russia, all the Asiatic peoples have been contemplating the breaking of the European chain by starting independence movements. Hence, independence movements broke out in Egypt, Persia, Turkey, Afghanistan, Arabia and India. A great hope in the independence of the Asiatic peoples was cherished by all Asiatics after Japan's success in her war with Russia. Not more than twenty years later, the independence of Egypt, Turkey, Persia, Afghanistan and Arabia has been successfully realized and the independence movement in India is also making rapid progress. The success of their independence movement indicates the progress in the conception of nationalism held by the Asiatics. As soon as this conception is fully developed to the point of maturity, all the peoples of Asia will be able to cooperate with one another and their independence movement will attain its final goal. Close friendly relations have recently been established among nations of Western Asia; hence, they may further unite with one another. The greatest nations in East Asia are China and Japan, who are the driving force behind the independence movement as well. The Chinese people as well as the Japanese at present are still not aware of the effect of their driving force upon the whole of Asia; therefore, China and Japan have not yet effected a closer cooperation with each other. As the development of the existing state of affairs goes, nations of East Asia certainly will cooperate with each other sooner or later. This movement is apparently aimed at restoring the original status of our Asiatic continent.

Europeans and Americans have a clear view of this tendency going on in Asia. A book was written by a certain foreign scholar on the rise of the power of the colored race. In his book, he points out that Japan's victory over Russia indicates that the

Chungking cartoon published on "Journalists' Day," recently observed in Nationalist China. The banner is inscribed, "Resist to the End," "Unity to the Last," and "Make More Progress." In the corner are the heads of Wang Ching-wei and his Japanese masters.

Yellow Race has won a war over the Whites, which will mark the uniting together of all the colored races for fighting the White people. In view of the perilous outcome of this tendency, the White people, according to his opinion, should take precaution against any undesirable result from this movement in Asia. Later on, this writer published another book, denouncing the movement of national liberation as a movement of revolt against "civilization." According to his idea, the movement of national liberation in Europe as well as in Asia should be considered a revolt. All the privileged classes in the western countries entertain the same idea as that of the above-mentioned writer. Therefore, this small minority has oppressed not only the majority of their own fellow nationals of the same continent, but also our nine hundred million people in Asia. So far as that foreign writer is concerned, we may infer that the Europeans think themselves the originators of civilization and in their eyes all other cultures and ideas of national liberation would be branded as a revolt. The Europeans also hold the view that European culture represents the only civilization in compliance with the principle of justice and humanity, while that of Asia would be otherwise.

So far as the cultural development of the world during the past several centuries is concerned, material culture in Europe, indeed, has been highly developed, while that in the Orient has failed to catch up the former. Superficially speaking, the European countries are more highly civilized than the Asiatic nations. But when we view the problem from a fundamental standpoint, European culture during the past several decades has been featured by scientific progress with its emphasis on utilitarianism. It is mere material culture, represented by aeroplanes, bombs, rifles and guns—the culture of force. With this culture of force, the Europeans have brought pressure to bear upon Asia, as a result of which Asia has been rendered unable to make progress in this connection. Such culture, represented by the oppression of others by means of armed force, is exactly what we Chinese call "Pa Tao" or the way of might; therefore, the European culture is but culture of "Pa Tao."

We Orientals always belittle the "Pa Tao" culture. Another type of culture is far superior to "Pa Tao" culture. This type of culture is built upon kindness, faithfulness and morality, with which we are winning over the support of other people rather than oppressing them. What we want is the voluntary support pledged by others to us, but not their fear of our power. Such culture is what we Chinese call "Wang Tao," that is, royal way or way of right. The culture in Asia is known as that of "Wang Tao." Since material culture flourished in Europe and the way of might prevailed, moral standard of various countries all the world over and even that of several of the Asiatic countries, has been degenerating day by day. Of late, European and American scholars begin to pay attention to Oriental culture; consequently, they realize that material culture in the Orient is not so developed as that in the Western hemisphere, yet the moral standard of the former is much higher than that of the latter.

Gentlemen, you can find out by yourselves which type of civilization, "Pa Tao" or "Wang Tao," is beneficial to the promotion of justice and humanity and which type is advantageous to nations and countries. I may also illustrate this with an example. During the period from two thousand years to five hundred years ago, China, similar to Britain and the United States of today, was the most powerful country in the world. Relations between China and other weaker nations and states during that period were very interesting. All the small states voluntarily asked China to annex them and wanted to bring tribute to China. They considered it a great honor for China to annex them and receive their tribute; China's refusal would have brought them disgrace. Not only Asiatic countries, but also western states in Europe far away, paid tribute to China. China did not force them to do so by means of military pressure. It was by the way of right that China won their support. Because of their admiration for China's culture, they voluntarily paid tribute to this country. Deeply moved by the "Wang Tao" culture of China, descendants of the rulers of these small states from generation to generation kept on paying tribute to China. Even up to the present proof remains to witness the truth of this fact. In the northern part of India, there are two small states.: Budhan and Nepal. Though their countries are small, their peoples are patriotic and brave in fighting. The people of Nepal are called Gurkhalis, a very brave and warlike race. Although England has conquered India, she still fears the Gurkhalis. She sends them money each year so that they may not object to the stationing of a British official assigned to investigate the political situation in Nepal. Britain is at present the the most powerful country in the world and yet respects Nepal, in this way. This fact indicates that Nepal is also a powerful country in Asia. Having been powerful for more than a century, Britain has ruled India also for more than a hundred years. Adjoining the British colony so closely, Nepal, however, has never paid tribute to Britain; on the contrary, she receives gratuity from the latter. But it is interesting to note the attitude assumed by Nepal towards China. China is such a weak country—even weaker than any of the British colonies—and is also far away from Nepal for between these two countries there lies the vast territory of Tibet. And yet, Nepal still worships China as her ruling country. In the first year of the inauguration of the Chinese Republic, she, even dispatched her representative to China via Tibet to pay tribute to China, however, when he reached the Szechwan border, he gave up the trip due to difficulties in transportation. What a difference in the attitude assumed by Nepal towards Britain and that towards China! Only by studying this difference, can we distinguish the Oriental culture of China and the Western civilization of Britain. China, though having been weak for several centuries, still retains her culture, which gains the voluntary support of Nepal. Though powerful as well as gifted with highly-developed material culture, Britain fails to win over Nepal's respect. Therefore, being an admirer of China's culture, Nepal realizes that China's culture is the real civilization of this world, whereas the material culture of Britain is a mere indication of the right of might rather than civilization.

Hence, the doctrine of Pan-Asianism which we are earnestly studying is rather a problem of culture; or in other words, the question of comparison and conflict between Oriental and Occidental cultures. Oriental culture stands for the way of right while that of the Western hemisphere stands for the way of might. The way of right advocates kindness, faithfulness and morality while that of might stands for conquest, profit-seeking and power. Sponsors of kindness, faithfulness and morality are winning over other people with justice and righteousness; while those of conquest, profit-seeking and power are oppressing others with rifles and guns. Small nations which adore their sovereign state will always pin their faith on its greatness though it may have been reduced to a weaker nation for several centuries. That is why Nepal is still willing to pay tribute to China. Should a state rule its vassal states by force, no matter how powerful it is, the vassal states are always contemplating severance of relations with it. For instance, Britain has conquered Egypt and India. Though Britain is powerful, Egypt and India are always thinking of their liberation from British rule. Under the military pressure of Britain, they fail to realize their plan for the time being. And as soon as Britain becomes weak, Egypt and India, I am sure, will instantly take action to overthrow British rule and restore their independent position. Thus, gentlemen, in this respect you do realize the superiority and inferiority of the Oriental and Occidental cultures. Living in this new world, we should build our doctrine of Pan-Asianism upon our original cultures. Kindness, faithfulness and morality should constitute the best foundation for our doctrine of Pan-Asianism. With this foundation, we should also learn all the European sciences in order to promote our industry and improve our armament. And yet, one point of which we should take note is that we are not learning from Europe the way with which to annex other countries or to oppress other people, but to defend ourselves.

Japan is the Asiatic country which learns military science from Europe most thoroughly. In the upbuilding of a navy and sailing of war vessels, she has her own men doing this task instead of relying on Europeans. Similarly, she runs her army. Therefore, Japan is a state of complete independence in Eastern Asia. There is another country in Asia which joined the Central Powers during the European war and was subsequently defeated and partitioned by the Allies. But after the European war was over, this country became powerful again. No soon had she driven away all the foreign invaders than she became a state of complete independence. This country, as we know, is Turkey. At present, there are two great independent countries in Asia: Japan in the east and Turkey in the west. Therefore, Japan and Turkey are the two main bulwarks of Asia. At present. Persia, Afghanistan and Arabia are also striving hard to adopt European culture and improve their armament. The Europeans dare not ignore their strength. As regards the people of Nepal, whom the Britons dare not belittle, they are naturally well-armed. Being well-armed, China, after internal unification is achieved, also will become very powerful. While talking about the doctrine of Pan-Asianism, we have to make efforts to restore the original status of the Asiatic peoples. With the principle of kindness, faithfulness and morality we should unite all the Asiatic peoples. Only by this can the Asiatic peoples be made powerful.

However, it is naturally impossible for us to convince the Europeans of their wrong simply by talking with them about kindness and faithfulness nor can we expect them to hand back to us peacefully all rights which they seized before. In order to get back our rights and privileges thoroughly, we must resort to military power. Let me mention again what I have said, Japan has been long well-armed; lately, Turkey is also equipped with a fully-prepared armament; besides, other Asiatic nations like the Persians, Afghanistans, Arabians and Gurkhalis are all skilled in fighting. We Chinese have four hundred million people. Although we are the most peace-loving race, yet in view of an impending life-and-death struggle, we have to fight without hesitation. We certainly have a tremendous military power. If all the Asiatic nations, having such a military power, are united in a struggle against the Europeans, it goes without saying that positively we will win the battle in the long run. Futhermore, let us compare the number of the European population with that of the Asia. China has four hundered million people; India, three hundred and fifty million; Burma and Annam together, several thousand myriads; Japan herself alone, also several hundred myriads; in addition, other weaker states have similar numbers. As regards our numerical strength, we Asiatic people represent more than one-half of the entire world population. The number of the total European population is not more than four hundred million, while that of our Asiatics is nine hundred million. So we are the majority and they the minority. But now, the latter are oppressing the former. Such an oppressive rule over the majority by a minority is by no means in conformity with justice and humanity. Whoever acts against justice and humanity, needless to say, will fail sooner or later. Moveover, among the four hundred million Europeans, some of them have been greatly influenced by our doctrine of the "Way of Right" of late. The present tendency of world civilization, even in Great Britain and the United States of America, has been directed to the promotion of justice and virtue. Further than that, even in the barbarian countries, such promotion also takes place. From that, we know the western civilization of utilitarianism, and might will someday surrender to our Oriental civilization of justice and virtue. In other words, the way of might will yield to the way of right. And only this way of right will lead to a real world civilization and the goal of brightness.

Now there is a new state in Europe. This state has been denounced by all the Europeans. In the eyes of the Europeans, that state is not an organization of human beings, but is compared with a venomous snake and fierce animal. They dare not establish contact with her. Even some of our Asiatics are also holding the same view. This state is Russia. Now Russia plans to distinguish herself from the European people. Why should she do so? It is simply because she is expounding the "way of right" instead of the way of might. She likes to talk about "justice and virtue," not "utilitarianism and might." She devotes herself wholeheartedly to upholding the "way of right" and opposes oppression of the majority by the minority. Thus the culture of Russia is much the same as our old Oriental civilization. That explains why she prefers to distinguish herself from other western powers and to join us. In view of the new doctrine in Russia being different from their own, and for fear that the success of the Russian cam-

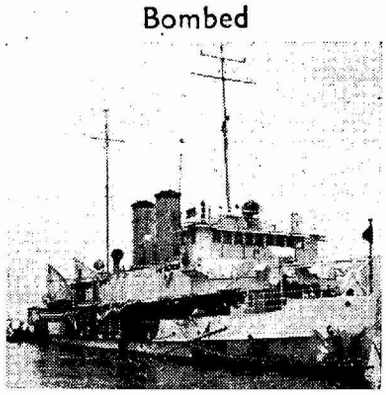
paign may frustrate their "Pa Tao" policy, the Europeans have called Russia "The rebel of the world" instead of praising her as the protector of benevolence and justice.

While we are studying the doctrine of Pan-Asianism, what problem should be solved after all? The problem awaiting solution is how, for the sake of the long-suffering Asiatic people, to resist those strong foreign nations. Plainly speaking, the problem is by what way can those oppressed states free themselves from the pressure of the foreign powers. The oppressed nations exist not only in Asia, but also in Europe. Those "Pa Tao" states not only oppress the aliens outside, but also their own people. The foundation of our Pan-Asiatic doctrine rests on the way of right. In a word, helping others is the characteristic of our doctrine. Referring to the national liberation movement, the foreign scholar, whom I mentioned above, always considers such a campaign a revolt against civilization. Therefore our civilization, aimed at helping others, is obviously against the way of might, and also assists the weaker nations in liberating themselves. Now that you Japanese have borrowed "Pa-Tao" culture from Europe and meanwhile have retained the essence of "Wang-Tao" culture, you must decide whether you want to be the "running dog" of the western "Pa-Tao" powers, or the champion of the oriental "Wang-Tao" doctrine. It is up to you Japanese people to choose with close scrutiny.

American Legion Urges U. S. to Combat Aggression in Asia

THE American Legion, which has a membership of practically 1,000,000 men, most of whom participated in the World War, adopted a resolution at its recent annual convention at Boston, urging all possible aid—short of war—for Britain and China. The resolution adopted was as follows:

"To the people of the great British Commonwealth so heroically defending their shores and freedom, and to the gallant Republic of China, we extend our friendship and assurance of our sympathy."



USS Panay, American Yangtsze Patrol Boat, Which Was Bombed and Sunk by Japanese Warplanes, Shortly after the Beginning of the War in 1937.

The resolution was adopted after a heated debate on foreign policy and was preceded by the defeat of another resolution which favored American neutrality "in all foreign affairs and dealings." The delegates then adopted by an overwhelming majority a resolution against any declaration in favor of neutrality.

The members also adopted another resolution urging the U. S. Government to exercise all lawful means to prevent the shipment of war materials to aggressor nations and to continue to extend aid to all peoples resisting aggression directed at their security, liberty and peace.

In taking the foregoing action the American Legion reversed a policy—favoring neutrality to the extent of isolation—which had been unbroken for 16 years.

Other actions of the Legion Convention included adoption of a resolution calling for the deportation of Harry Bridges, Australian radical West Coast labor leader, who is alleged to be a Communist. Another resolution demanded that the use of the mails be prohibited to un-American organizations, and that groups in the United States, whose titles contain the names of foreign countries—thus indicating foreign inspiration—be barred from using the mails. The Government also was urged to ban foreign language radio programmes in the United States and called for the registration of all subversive groups, which then should be denied the use of public buildings for their meetings.

Widespread interest was aroused by an address at the Convention by Paul V. McNutt, Federal Security Administrator and former U. S. High Commissioner to the Philippines. Mr. McNutt directed a sharp attack against proposals that the United States should "appease" Japan.

His remarks on the Far Eastern situation were regarded as highly significant as he often expresses the Administration's viewpoint. He declared, "It is the inclination of the people of the United States and it is the inclination of the Government in setting the policy of this country, to give aid to those who resist aggression. This holds not alone in regard to Europe. It holds also in regard to the Far East."

Referring particularly to Japan, Mr. McNutt said that a conciliatory attitude toward Nippon "would not increase the security of the United States . . . . How could it be to our interest to cooperate with any country which shows itself determined to cast its lot with those countries whose practices and policies obviously are destructive to stability in international relations?. . . The United States has consistently sought to maintain friendly relations with Japan, as with all countries in the Far East, Latin America and Europe on a basis of sound principles and fair principles . . . . But it has become increasingly difficult to maintain such relationships with Japan on that basis."

In consequence of this situation, Mr. McNutt declared the United States must make a fateful decision to retire completely as a Far Eastern Power, or to consciously and carefully shoulder the burden which such a policy implies. He did not refer directly to his recommendation of two years ago that the question of Philippine independence (to become effective in 1946) be re-examined, but indicated in his address that the wise course for the United States would be to maintain its status as a Far Eastern Power. He explained his conviction that the adoption of a militant foreign policy in the Far East" does not necessarily, imply the establishment of new American frontiers in the Pacific. He said, "Our possessions in that mighty ocean extend from the Aleutian Islands through Hawaii to Samoa and from the mainland on the West, through Hawaii to Wake, Guam and the Philippines . . . . The 'great cross' formed by these islands is our mark upon the Pacific."

Mr. McNutt rejected emphatically the proposals that the United States "should withdraw into an isolated defense area east of Hawaii." Referring to recent proposals for "hemispheric isolation," Mr. McNutt said that Americans should recognize what such a proposal really means. "It means," he said, "the maintenance of a military establishment capable of putting a protective force in any part of the New World at any time. It means abandoning many markets for our agricultural products. Any attempt to build a wall around the New World means an upheaval in the United States almost as great as war itself. We must remember that wars some day end, whereas this process of isolation would wreck us for generations . . . . The resources of this Hemisphere, particularly in South America, are an integral part of the economic life of the Old World. For a solid century designs and intrigues to absorb part of the New World into Asiatic or European political systems have been attempted."

Official approval of Mr. McNutt's address was indicated later at Washington when the text was released by the Federal Security Administration office. A report by *United Press* stated that the manner in which Mr. McNutt's address was handled indicated that he had become an important counsellor of the President on Far Eastern affairs. It was pointed out that McNutt's address appeared to have forecasted the embargo which President Roosevelt declared (Sept. 26) against shipments of iron and steel scrap to countries outside the Western Hemisphere, including Japan, but excepting Britain. Mr. McNutt declared, according to the official text of his speech, that the United States "must alter its policy to meet changes in geography . . . . We must stop selling to Japan US$30,000,000 worth of scrap metal every year to build warships which threaten our safety."

Mr. McNutt may have been aware of the fact that Japan had launched a new battleship—made from American iron and steel—only a few days before President Roosevelt announced the embargo.

Aside from the developments at the National Convention of the Legion, held at Boston the last week in August, the National Executive Committee of the organization, on May 2 adopted another significant resolution which read as follows:

"Whereas, Under present conditions and the trend of world events in the past few months, the maintenance of our influence in the Pacific Ocean is of fundamental importance, not only from the standpoint of our national defense but also the development of our international commerce with the Far East and our freedom of movement in this vast area; and

"Whereas, The Isle of Guam and the Philippine Archipelago are key positions in the accomplishment of the foregoing objectives;

"Now, therefore, The American Legion in Executive Committee assembled recommends a careful examination of this entire problem, including the proper protection of the Isle of Guam and the continued sovereignty of the United States over the Philippine Archipelago, to the end that a sound and just solution be achieved which will provide for an adequate national defense in that area, properly preserve our present sphere of influence in the Pacific, and promote the continued expansion of our international commerce in the Far East."

Nazi Trinity in Japan

(Contributed by a resident of Tokyo)

BEHIND the new "patriotic attacks" on the Salvation Army in Japan, involving the arrest of seven Japanese leaders and the virtual expulsion from the country of two of the three British workers, observers find a sinster trinity—the Nazi Fifth Column, a corrupt newspaper, and the brothel interests.

Back in 1937, the Nazi Fifth Columnists found that they just had to buy a newspaper in Japan to sell the German gospel.

That was not so easy. Newspapermen in Japan can be bought as they can everywhere else, and not so high at that. But to buy a newspaper you've got to find a man or men who will take all the raps of being in the publishing business. A publisher who is handling foreign money has got to be extra tough.

The Nazis looked the field over and chose their man well. The man they chose was one of those really smart political brokers who thrive under democracies till they are found out, and thrive still better under totalitarianism because they see that laws are made against their being found out.

He had organized the graft campaign of parliamentary candidates for the past 30 years. There was not a trick in the game that he did not know. Since the Manchurian Affair in 1931-33 he had gone in for the more fashionable kinds of racketeering, running gangs to beat up wealthy businessmen because they were not patriotic enough and making them pay up 10,000 Yen or so to show that they were. He was also a stager of anti-foreign demonstrations, anti-Soviet, anti-British and anti-French. He had never been in the newspaper business but was willing to try anything once, particularly if the pay cheque was right.

It was. The Nazis knew a bad man when they saw one and recognized that their choice was good—for them. They told him they would get him a newspaper property, buy it outright in the names of himself and three or four friends, and put up 100,000 Yen on the side, which was not capital for the business, but—well, just capital. They guaranteed to bribe two or three fairly well-known newspapermen whom he would employ to give the sheet something of a name, and the rest of the boys would be just his "boys" and so would not need paying, as they were paid already.

Then came the question of the property. There was not much choice in the metropolitan field. The *Asahi* was as honest as the trend of the times would allow and had enough cold cash not to want any that was "hot." The *Nichi-Nichi* could have used the cash but would not have sold right out—there were too many famous directors who wanted not only jobs but respectability with them.

The *Yomiuri* had quit politics for the human interest angle and was making money and circulation out of it; so why go looking for trouble? The *Miyako* was trying to be an all-around decent newspaper. The *Chugai* was this already and intended to remain so. The *Kokumin* had already been bought by one group, the "young officer" element in the Japanese Army.

To an older generation of Japanese, the *Hochi* was a name to conjure with. Founded by the voluble old one-legged World War Premier, Marquis Okuma, at a time when he first stepped into the money and saw Japan's need of a newspaper which would speak out without fear against the Meiji oligarchs, the *Hochi* set up shop with a staff of the first graduates from Waseda University, also founded by Marquis Okuma, and remained throughout the transition years the Tokyo champion of liberal democracy.

The early *Hochi* was a fighter, its liberalism as dynamic as that of the *Asahi* was discreet. The Okuma family kept going with its Waseda boys while times changed and money leaked. When democracy died for good on September 18, 1931, the family got out and in due course the Waseda boys were pushed out—or into new policies.

But even with new policies and directors, the *Hochi* could not "stand the gaff." The *Yomiuri* had discovered the value of "oomph," tied up with Hearst for spicy international politics, and was getting in every place. The new *Hochi*, like the old *Hochi* was out of luck and by 1938 it was worth just about the price of its plant.

The Nazis, therefore, put in their man who found himself again in the money and a power in the land. On the news side he improved the paper; he could do so—he had plenty of money to play with. He got correspondents in New York, London and Paris, which the *Hochi* had not had for years, to say nothing of correspondents in Berlin and Rome who were thrown in with the contract. The paper only had to agree with Hitler, and maybe criticize the Americans and damn the British.

Life looked rather good to the paper's new chief and, like the friendly fellow he was, he believed in sharing his good times with his chums. He brought into the directorship of the *Hochi* an old friend allegedly the proprietor of some of the most exclusive licensed houses in Yokohama. This man thought the newspaper business as run by the Nazis was swell, even as a mere investment. He thought it was even better when later on it was explained to him that you could use a newspaper to slander the people you didn't like.

That is where the Salvation Army came in. The Army everywhere is not good for the red light business. It stands for moral reform and does the standing in mightily public places. Not only does it denounce licensed vice academically; but its lads and lasses get after the prospectively vicious as well as their victims, on the principle that prevention is better than cure.

The Japanese Salvation Army had done quite a lot of this. They had rounded up the boys and tried to keep them away from the houses and rounded up the girls to ask them if they really wanted to leave the houses, which they had a legal right to do since 1885 but rarely exercised because their parents had contracted debts to the brothel proprietors.

Sometimes, the Salvation Army paid the debts, which was bad enough; sometimes it simply encouraged the girls to walk out without paying the debts, which was worse. It was clear that the Army was a disruptive influence on the traditional Japanese social fabric.

Now, that is just what the *Hochi* said around February, 1940, but not exactly in those terms. It said that the Salvation Army was anti-Japanese, too Christian, did not recognise that Korea was part of Japan, fostered dangerous thoughts and, worst of all, was British.

Were not William and Mary Booth both British? Was not the whole organization established as a vast British spy network, spreading its tentacles the world around for the discomfiture of credulous Japanese who were fooled into believing that all it wanted them to do was to sing "Alleluia," quit smoking and drinking and lead a Christian life?

That went over fine. The Japanese always had a suspicion that they were being spied upon, mostly because they were—by their own police.

It was good to find out that it was the wicked foreigner again, and better still that he was British as usual. And so there was a national outcry against the Salvation Army which lasted intermittently right up to the time of the latest spy case when it was a cinch that the "Alleluias," would be once more among the principal criminals. They were.

Meanwhile, the brothel business is doing fine.

Tokyo, Sept. 29, 1940.

Japan Seeking Economic Supremacy in Shanghai

BY JOHN AHLERS

WHEN Sino-Japanese fighting for control of The Shanghai territory ceased in November, 1937, the stage was set for the economic and financial war which has raged ever since between Shanghai Japanese and non-Japanese business interests. This war has had its battles and its pauses. Its front lines have not always been clearly defined. Large individual Western and Chinese interests for a long time preferred to cooperate with the Japanese. There were influential Nipponese dissenters who opposed their own military's conspiracies against Shanghai business.

But today Shanghai's economic and financial front lines are more sharply defined and feverish preparations are being made for a major battle which, the Japanese hope, will finally decide in their favor the paramount control over local business.

It is no use 'kidding' ourselves about the Shanghai situation. The voices of local conservative Japanese who would prefer to maintain Shanghai business' traditional structure have become inconsequential. At the same time, large Anglo-Saxon interests up to the recent past engaged in wartime cooperation with Japanese interests, and consequently reluctant to support fellow business men badly hurt by the Japanese, suddenly find themselves, too, confronted with Nipponese measures of pressure and discrimination. In the course of the past six months, the Japanese have gradually built up between Shanghai and the hinterland a new structure of ever spreading trade control. They are now about to generalize and legitimatize this control structure. Western business, especially American and British interests, at last realize that their whole position at Shanghai is at stake, and are seriously preparing suitable counter-measures.

On the eve of the big fight for supremacy over Shanghai business, a fight that almost certainly will lead to new international complications, a survey of the position already acquired by local Japanese business shows Dai Nippon's hold upon Shanghai's economy and finance still remarkably uneven. It is strong in the fields of industry, shipping and trade. It is less prominent in that of banking; little important in that of the capital market and stock exchange, and insignificant in that of real estate. It is based partly upon normal economic activity and investment, assisted by the geographic proximity of Japan proper; but it results largerly from the forceful expropriation of Chinese property, from military domination over much of the hinterland, and from ruthless bayonet-backed discrimination against non-Japanese interests. It is by means of increased discrimination that the Japanese now propose to make themselves complete economic masters of Shanghai.

What is the present Japanese economic position at Shanghai? The Maritime Customs' trade returns fail to give a true picture of the important hold the Nipponese enjoy upon the city's foreign commerce. August, 1940, statistics show only 7.5 per cent of Shanghai's imports arrived from, and 8.5 per cent of local experts were shipped to the Nipponese Empire. The real Japanese share in local trade is much bigger than that. A large portion of the commercial intercourse between Shanghai and countries outside the realm of Dai Nippon is transacted on account of Japanese interests, too. This applies especially to imports of raw material and fuel absorbed by local Nippon industries, as well as to arrivals of foreign supplies for the Japanese fighting forces. As regards exports, the Japanese directly or indirectly control the bulk of local textiles shipments, of raw silk as well as of cotton goods, and they have equally a hand in the export via Shanghai of most of the produce forwarded from the occupied interior. Besides, a great deal of foreign trade has been diverted from Shanghai proper to Woosung and various Lower Yangtze ports where the Japanese turn over considerable imports and exports without submission to Customs registration. Finally, the Japanese now have a hand in almost all the commercial intercourse between Shanghai and the occupied hinterland. There is no question that of Shanghai's total trade, in the widest sense of the term, they control more than half.

In local industries, Japanese domination is particularly conspicuous in the all-important cotton industry which normally accounts for half of Shanghai's manufacturing activity. The Japanese control 70 per cent of the cotton spindleage, and over 80 per cent of the cotton weaving looms of Shanghai, including expropriated Chinese industrial property. They are as yet of little consequence in the fields of public utilities and flour milling, the two next important Shanghai industries, while their hold upon the numerous small miscellaneous industries is very uneven, depending chiefly on the extent to which they have been able to seize Chinese-owned industrial enterprises. In the whole of Shanghai's industries, they would not yet appear to enjoy a 50 per cent share, but they are no longer far from it, and their industrial activities continue to expand rapidly.

In the field of shipping, the Japanese position has been greatly strengthened since the outbreak of the European war. In coastal shipping to and from Shanghai, the Nipponese have not yet managed to get ahead of British competition, but in the maritime carrying trade to and from foreign ports the Rising Sun has definitely out-distanced the Union Jack. In August this year, although this particular month was rather unfavorable to Japanese shipping, Dai Nippon accounted for over 40 per cent of the tonnage of vessels entered-from or cleared-for abroad, at Shanghai, while the British share in this field of shipping was below 30 per cent. Private-owned dockyards, wharves, warehouses and godowns in non-Japanese hands still far surpass the importance of such Japanese property, but the Nipponese make good the difference by the seizure and management of practically all Chinese-owned enterprises of this sort.

Shanghai Japanese trade, industry and shipping, of course, are financed chiefly through Japanese banks, and with growth of the three endeavors local Nipponese banking has expanded considerably. The spread over the occupied interior of a Japanese banking network, while non-Japanese banks in numerous instances were compelled to withdraw or close down, has further promoted Shanghai Japanese banking. Finally, the concentration in Nippon financial institutions of Chinese official funds, especially of the Shanghai Customs revenue, worked in the same direction. Yet local Japanese banking as a whole is still much inferior to American, British and Chinese banking. A considerable number of Japanese financial transactions continue to be conducted through non-Japanese banks, while practically no non-Japanese will request Nipponese banking facilities if he can help it. The Japanese banks at Shanghai are

handicapped particularly by their inability to gather, as the British and American banks do, any substantial Chinese private funds, or any of the refugee capital which during the past twelve months has poured into Shanghai in extra-ordinarily large amounts.

Japan proper seems to be continuously drawing heavily upon the funds of local Japanese banking. Shortage of capital and other liquid funds, characteristic of wartime Japan, is characteristic of present Shanghai Japanese business, too. In the local capital market, the Nipponese are of no consequence whatever. Japanese capital is also inconspicuous in local Stock Exchange transactions. Among all the shares traded on the local Exchange there is but a single Japanese share listed. In the field of currency in circulation at Shanghai, the total value of military notes, Bank of Japan yen, and Hua Hsing dollars circulated by the Nipponese amounts to but a small fraction of the value of Chinese national currency in the local market.

One or two spectacular, and a larger number of minor purchases of Shanghai real estate have been effected by Japanese interests since the start of the Sino-Japanese war, but thus far only a small portion of landed property in the Settlement and Concession has passed into Japanese hands. In the Settlement, this portion is so small, especially as compared with the huge British real estate interests, that the Japanese cannot reasonably expect to concentrate in their hands sufficient municipal votes to out-vote the British, not to speak of the British and Americans combined. And the Japanese simply do not have the money to buy out the bulk of Western-owned landed property.

On the whole, the Japanese economic and financial position at Shanghai is strong, but does not yet seem to overweigh the British position, not to speak of that of Western business interests combined. The structure and strength of local Japanese interests, also, is not such as to enable the acquisition of Nipponese supremacy by means of normal development. But that is the reason why the Japanese are once more preparing to appeal to other means of a compulsory and discriminatory nature.

Further Large Sums Donated To China for Relief Purposes

MRS. Franklin D. Roosevelt, wife of the President and 500 other well known Americans attended a reception at the Chinese Embassy in Washington on Sept. 26, when Ambassador Hu Shih accepted on behalf of the Chinese Government and people the sum of US$92,000, which was contributed by Americans for relief work in China. The fund, equivalent to Ch.$1,750,000, at current exchange rates, was collected by the American Bureau for Medical Aid in China and the Women's Committee of Tribute to China.

In addition to the draft covering the donation, the Ambassador was presented with a handsomely-bound "Book of Hope," which contained the names of 100 well known American women who had contributed at least US$100 to the fund. The Ambassador was also presented with a scroll containing the names of hundreds of lesser contributors.

The gifts were presented to the Ambassador by Mrs. Pearl Buck, the famous writer, who, according to the report, had contributed much time and effort toward the raising of the fund. Dr. Hu Shih responded in a brief speech which reflected strong confidence in China's ultimate victory over the Japanese. "This is a red letter day for China," the Ambassador declared, "because we have just been informed of the US$25,000,000 loan to China and of the embargo on scrap iron. All friends of China cannot help feeling gratified and elated." The "Book of Hope" will be forwarded to Madame Chiang Kai-shek, who wired her thanks on behalf of Chinese women. Madame Chiang declared, "With hope, miracles are wrought."

The donation of US$92,000 was made prior to the opening of another drive for relief on behalf of Chinese refugees, which is now in progress and is being conducted along the lines of the "Bowl of Rice" drive conducted two years ago.

Aside from the foregoing campaigns for funds for Chinese relief it was reported that the American Red Cross will reopen the branch in Shanghai and will distribute further large quantities of American cracked wheat which has been donated for relief in China. The Red Cross branch will be opened before the end of the year, according to the report.

There also were rumors in circulation that the US$25,000,000 loan to Chungking, announced last week, probably will be followed by further loans of even larger amounts, the object being to strengthen China's resistence to Japan's renewed aggression in the south. One report stated that China may be provided with loans amounting to more than US$100,000,000.

HARVARD FACULTY DEMANDS ACTION

Eleven distinguished members of the Harvard University faculty, in a letter to the *Washington Star*, on Sept. 30 urged the United States to take immediate steps to prevent Japanese conquest of China and Japanese naval dominance in the Pacific. The eleven educators, including the dean of the Harvard Law School. Prof. James M. Landis, demanded that the United States immediately take three definite steps to curb Japan. These were:

Deprive Japan of raw materials with which she can wage effective war. Extend additional American aid to China. Arrange for the United States Fleet to share with Britain the use of the Singapore naval base.

"Japan, nourished by imports of raw materials from the United States, is on the point of establishing herself as the dominant Power in the Far East," the writers declared.

The letter said the United States can prevent Japanese conquest of China and shatter Japan's hopes of assuming naval dominance in the south Pacific "only by immediate and vigorous taking of the initiative."

Nantao Area Becomes Shanghai's Second "Badlands"

THE Nantao district, which embraces the previously walled city, oldest and most picturesque section of Shanghai, has been transformed into a second "badlands," as a result of the introduction into that district of a dozen gambling houses and accompanying opium-smoking divans. According to a report in the *North-China Daily News* on Sept. 30 bomb-throwings by rival groups of gangsters and opium-dealers, free-for-all fights and shootings have become a regular feature of the night life of Nantao. Similar happenings in the western residential district were responsible for that area becoming known as the "badlands." A report in a Chinese paper, the *Cheng Yen Pao*, said that a phosphorus bomb recently thrown into the West Garden, leading gambling house in the Nantao area, exploded wounding four gamblers, one of whom had four fingers blown off. The bomb tosser escaped.

Chiu Mow Ti, a street in Nantao, notorious for opium in previous days, is again living up to its ancient reputation. Between 10 and 20 opium-selling shops and smoking-divans recently opened on the street, but for some unexplained reason, suddenly closed, although gambling houses in the vicinity remained open.

A dozen Chinese gamblers who were arrested for operating a small establishment on Pootoo Road were prosecuted in the First Special District Court on Saturday, Sept. 28 and given prison terms. Evidence indicated the men had been playing dice and "pai-chiu," an ancient form of cards. The Settlement authorities have not, however, taken any action against the "big shots" who operate the Liu Ka or "Six-Nations" gambling house on Avenue Haig, located next to the German "Center" wherein are located the German school and church.

Striking Workers of Frenchtown Tram System Make Demands

Demands of the striking bus and tram employees of the Compagnie Francaise de Tramways et d'Eclairage Electriques were presented on Oct. 2, according to an official of the Frenchtown system. With the subsidence of flood waters in Shanghai it was hoped to put most of the 50 Frenchtown trams in operation on Thursday despite the strike. Settlement trams which had similarly been held up during the period of the flood were also to begin functioning on that day.

While the terms of the Frenchtown demands were not revealed they were, according to Chinese sources, as follows:

(1) Recognition by the company of the Union;
(2) Payment by the company of a monthly sum of $400 to the Union;
(3) Liberation and reinstatement of 20 workers arrested during the strike;
(4) 60 per cent increase in wages;
(5) Additional doorkeepers in buses and trams;
(6) No dismissal of workers without just cause;
(7) Pensions for employees resigning on account of old age or infirmity.

Sumner Welles Sees Grave Danger to United States; Pledges Full Aid to Britain and Dominions

Editor's Note:—Following is an extended summary of an address delivered by Mr. Sumner Welles, U.S. Assistant Secretary of State, before the Foreign Affairs Council at Cleveland on Sept. 28. Mr. Welles declared that the American nation was facing the gravest danger in its history and pledged unstinted material aid to Great Britain and the British dominions. As regards Japanese aggression, there was a veiled appeasement note in Mr. Welles' address when he said there is no problem in the Far East which cannot be peacefully solved through negotiation.

AT the outset Mr. Welles declared that outside the Western Hemisphere the conception of international morality and the authority of international law have ceased to be determining factors; that those nations which have relied upon their neutrality or consistently have endeavored to exercise the weight of the prestige they formerly enjoyed and which did not possess the physical means to preserve their neutrality or to make their influence felt, have found to their bitter cost that a foreign policy, however righteous, however acutely devised, based merely on morality or prestige, counted for less than nothing against the impact of brute force; and that the peoples of democracies have taken a long time to persuade themselves of this truth.

Hopes and Prayers

Dallas News

He stated that the history of the recent international relations of the United States can be properly divided into two chapters. In the first, 1933 to early 1937, the U.S. Government exerted every effort to prevent a world catastrophe; then followed a transition period culminating in the agreements of Munich in September, 1938. He continued in part:

"Since then the policy of this Government has been concerned primarily and consistently with the assuring of our national defense. It has been directed towards the perfection of our means of cooperation with our sister republics of the New World and towards assisting those nations outside the western hemisphere whose continued independence and integrity contribute towards the maintenance of peace and whose continued freedom to live their own untrammelled democratic way of life constitutes a bulwark for the maintenance of individual liberty in the western hemisphere."

He spoke of "the many attempts which have been undertaken by this country to induce the nations of the world to return to a sane economic order, to halt the armaments race and to reestablish in international life the standard of morality and law which alone could make it possible for human beings to raise their standard of living, to know what happiness means and to pass their natural lives unshadowed by constant fear." He added: "What was obviously required was first of all to stabilize and then to bring stimulating recovery to the economy which was suffering from the shocks of past errors and miscalculations."

Among other developments he listed the London Economic Conference of 1933, concerning which he said: "Early in 1933 the depression and unemployment prevailing in most countries, including our own, was so severe as to require far-reaching measures for relief and recovery in each country. This made it impossible for the governments that met in London in 1933 to agree upon international measures that would serve satisfactorily the pressing needs of all. But the United States, during the succeeding years, assumed the leadership in trying to make effective the purpose which the 1933 conference had been summoned to achieve."

In this connection he went on to describe the enactment of the trade agreements program, adding that "hardly a day passed without some effort on our part to bring other countries to join with us in the adoption of this program through gradual elimination of policies contrary to it."

He continued as follows: "I am convinced that those efforts might have succeeded if it had not become evident that certain powers had determined that all economic policies for the adjustment of human welfare would be discarded by them in favor of policies of seizing by force what they themselves desired . . . . Believing, as this government does, that one of the surest safeguards against war is the opportunity of all people to buy and to sell on equal terms and without let or hindrance of a political character, we have never failed to offer our full participation and cooperation in such a general economic program. The oncoming of the war and the complete dislocation of international trade has necessarily left that program in suspense, but the determination of your Government to resume it when the opportunity again occurs remains unaltered. Meanwhile our economic policy has been adjusted to safeguard and to serve our security in many vital relations."

Turning to national defense, Mr. Welles stated that during the first years of this administration the U.S. participated in conferences designed to bring about international agreement on the limitation and reduction of armament; that time after time this Government expressed readiness to join with other nations in a common effort to bring about an effective agreement; and that ever since assuming office the President has worked unceasingly toward an adequate and efficient national defense on land and sea and in the air, adding that "it has been our policy to make no increase in our armament unless other powers by increasing theirs make increase by us necessary to our national safety." He cited various instances in which President Roosevelt had pointed out the dangers in the international situation and the consequent need for strengthening our own national defense.

He declared in part: "The recent agreement with Great Britain for a chain of naval and air bases extending from Newfoundland to the South American continent, and the agreement with Canada on defense, are of immeasurable assistance in providing effectively for the defense of the Americas . . . . To serve that program of defense, a far-reaching effort is being carried forward to acquire adequate supplies of all essential and critical materials and we are keeping under close supervision the export of all American products that we may need for an emergency.

"In reviewing the increasingly tragic history of the international relations of the past seven years, there is just one bright picture of constructive achievement that stands out. I refer, of course, to the recent history of the relations between the twenty-one American Republics. I doubt whether the people of the United States ever remember particularly the vast changes which these past seven years have brought about in the relations between the United States and its neighbors in the New World. A short eight years ago, it is an understatement to assert, suspicion of the motives of the United States existed throughout the major portion of the continent. Where open resentment did not exist because of some act of high-handed intervention on the part of this Government, or hostility smolder because of the assertion by this country of its power to dictate, there existed in many quarters a very natural resentment because of our insistence through the Tariff Act of 1930 upon closing our markets to our neighbors.

"Today that condition fortunately has vanished. It began to disappear after the International Conference of 1933 when Secretary Hull in the name of this Government made it clear that the United States would no longer intervene in the internal affairs of the other American Republics. It was still further dissipated when this Government, through the provisions of the Trade Agreements Act, made it evident that the United States was not only willing but anxious to trade with its neighbors on terms of mutual advantage; and thus the way was prepared for the holding of the Conference for the Maintenance of Peace in Buenos Aires in 1936 in a spirit of understanding and mutual reliance by all of the American Republics. It is now well worth while to remember that at that conference there was for the first time proclaimed by the twenty-one American Republics, in unanimous accord, the great principle that any threat to the peace of any one of the American Republics affects the peace of them all.

"Since that time there has been held the inter-American Conference of Lima in 1938, which strengthened considerably the earlier acts of the conference at Buenos Aires and which indicated still more clearly the intention of the American Republics to assume a common front against any threat of aggression to the New World. As a result of machinery there set up, there have also been held

since the war broke out two consultative meetings at Panama and at Havana. Today the governments of all the American Republics are cooperating as one in the search for remedies for their common problems and with a full and reciprocal recognition of their several needs and requirements. They are as one in their determination to preserve their domestic institutions, their ancient liberties, and their independence and integrity. But more than that, they recognize today that the strength of every one of them is vastly enhanced by the combined strength of the rest. Speaking from the standpoint of a citizen of the United States I can conceive of no greater safeguard to the national defense of the United States than the realization on our part that we possess the sympathy, the trust and the cooperation of our neighbors of the new world."

Adverting to the Orient, Mr. Welles stated: "Unfortunately it is not possible for me to refer with any measure of satisfaction to the course of events in the Far East during these past seven years. The policy of this Government in the Far East has differed in no way from the policies of this country in relation to other sections of the world. It is true of course that the problems which have arisen in our relations with the countries of the Far East have had certain peculiarities because of the earlier rights of extraterritorial jurisdiction accorded to the nationals of occidental powers, along with various other special procedures adopted with special reference to special situations, but as situations have changed the United States has by processes of negotiation and agreement voluntarily assented to the alteration and removal of these special features.

"From time to time the nations directly interested in the Far East have entered into treaties and international agreements which have created a number of common interests, as well as common responsibilities and obligations. In essence the primary requirements of the United States in the Far East may be thus simply set forth: complete respect by all powers for the legitimate rights of the United States and of its nationals as stipulated by existing treaties or as provided by the generally accepted terms of international law; equality of opportunity for the trade of all nations; and finally, respect for those international agreements or treaties in the Far East to which the United States is a party, although with the expressed understanding that the United States is always willing to consider the peaceful negotiation of such modifications or changes in these agreements or treaties as may in the judgment of the signatories be considered necessary in the light of changed conditions.

"The Government of Japan, however, has declared that it intends to create a 'new order in Asia.' In this endeavor it has relied upon the instrumentality of armed force and it has made it very clear that it intends that it alone shall decide to what extent the historic interests of the United States and the treaty rights of American citizens in the Far East are to be observed. As we here well know, many hundreds of incidents have occurred as a result of which the rights of this country and the rights of our nationals have been violated. On April 15 of this year, as a result of developments in the European war, the Foreign Minister of Japan in a public statement asserted that Japan desired the maintenance of the status quo of the Netherlands East Indies. On April 17 the Secretary of State made a statement on behalf of the United States expressing the belief of this Government that the best interests of all nations call for maintenance of the status quo in the entire Pacific area. On repeated occasions since then official spokesmen for the Japanese Government have reiterated their desire for the maintenance of the present status of the Netherlands East Indies and have further specifically declared that this policy applied not only to the Netherlands East Indies but to French Indo-China as well. Nevertheless and notwithstanding these official declarations, we are all familiar with the events of the past week which have culminated in measures undertaken by the Japanese military forces which threaten the integrity of the French colony. From the standpoint of reason, of common sense and of the best practical interests of all of the people possessing interests in the Far East, there is no problem presented which could not be peacefully solved through negotiation, provided there existed a sincere desire on the part of all concerned to find an equitable and a fair solution which would give just recognition to the rights and to the real needs of all concerned."

Reviewing briefly events in Europe since the fall of Czechoslovakia, Mr. Welles declared: "Warfare has now engulfed the Mediterranean area and threatens to spread to the Near East. Alone the British people, with a heroism which is worthy of the finest traditions of that brave people, are defending successfully their homes and their liberties—which are the same liberties which free men cherish everywhere.

"It is the policy of your Government, as approved by the Congress of the United States and, I believe, by the overwhelming majority of the American people, to render all material support and assistance through the furnishing of supplies and munitions to the British Government and to the Governments of the British Dominions in what we hope will be their successful defense against armed aggression.

"It is becoming true to say that what we are witnessing in the world today is not a world war but a world revolution. It is indeed an attempt at world revolution, a revolution in the sense that we are seeing a new manifestation of the age-old struggle of the lowest that is in human nature against the highest, of barbarism against civilization, of darkness against light.

"There is no question that the errors of omission and of commission during the years which succeeded the negotiation of the Treaty of Versailles and the other treaties arising from the World War, paved the way for the vast conflagration which we see today.

Sharing the Spoils

British cartoon (Glasgow Record) depicts Hitler and Mussolini discussing the division of the moon.

But there is equally no question that during the five years which preceded the Munich agreements the Government of the United States did everything within its power to avert the final calamity. When the record is ultimately assayed, I believe this truth will be recognized."

In this connection Mr. Welles cited the communication which President Roosevelt sent on September 26, 1938, at the time of the Czechoslovakian crisis, to the chiefs of the governments directly concerned, urging that peace be made before and not after war; and the President's message of September 27, 1938 to Chancellor Hitler urging a conference immediately of all the nations directly involved at a neutral spot in Europe. Mr. Welles added: "If the nations directly interested in that controversy, including Czechoslovakia, had sat around the council table in some neutral city on equal terms, with no single one of them under the threat of aggression, as the President urged, the way might well have been paved for the avoidance of today's calamity."

He concluded as follows: "We as a nation face today as grave a danger as our people have confronted during the century and a half of their independent life. We are confronting the emergency, however, I believe with vision, with courage and with determination. Our security has been vastly enhanced by the relations of confidence and of truth which we have with all of the American Republics, and through the strengthening of our traditional sense of understanding with our neighbor, the great Dominion of Canada.

"Our ability to repel aggression is likewise greatly increased by the naval and air bases which we have now leased from Great Britain, and our rearmament program is being carried on with efficiency and despatch.

"We are profiting by the lessons which we have learned from the experience of others. We must increase our armed strength until the new world is unassailable. We must, and I believe will, be successful against any threat to the peace of this hemisphere. The lights of civilization are fast dimming in many other parts of the world. While your Government must continue in the future, as it has in the past, to prepare for all events, this nation must at the same time be ready, when the time comes, to aid in the construction of that kind of a world peace based on justice and on law through which alone can our security be fully guaranteed."

Britain Seen Passing to Offensive Against Germany; Entente of Balkan States Formally Liquidated

SOYA BEAN PLAYS ROLE IN NAZI AIRBLITZ ON ENGLAND

The humble but valuable soya bean, product of the Manchurian plains, is playing an important role in the Nazi airblitz on England, according to Mr. Fusaji Ohira, head of the Special Products Bureau of the Mitsubishi offices in Dairen, Havas reported on Sept. 28. Mr. Ohira was quoted as saying that soya beans were being converted in Germany into "violent explosives" and used in the manufacture of aerial bombs dropped on London and other English cities.

WAR news during the past ten days has created the impression that a transformation is taking place in the titanic struggle between Great Britain and Nazi Germany. Britain appears to be passing over to the offensive against her powerful antagonist. German air-raids over England have thinned out and their effectiveness has apparently lessened. The Royal Air Force, on the other hand, has stepped up its attacks on Germany and German-occupied territory. On the night of Sept. 30, the inhabitants of Berlin were obliged to take refuge in air-raid shelters for five hours and ten minutes as five waves of British planes swooped over the city at intervals.

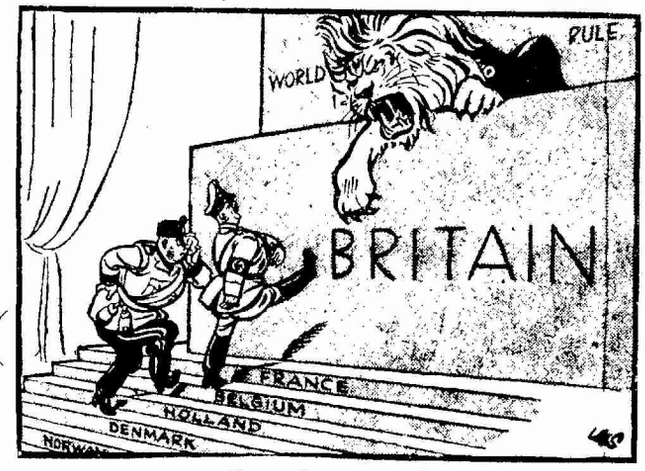
A new weapon was brought into play early this week as long-range German guns shelled the Dover area across the English Channel from Calais. British guns went into action in reply and one of the most furious bombardments of the war ensued. Whether Germany will attempt an invasion of England is still an open question. The British are not yet disposed to believe that the attempt has been indefinitely postponed and are maintaining constant vigilance.

In August and September, according to British claims, Germany lost 2,000 warplanes and 5,000 fliers and these losses are described as a "grave blow to her first-line air strength." Even if the figures are admitted, the loss in planes is much less serious than the loss of trained flying personnel, for the capacity of German aircraft production plants is believed to exceed 2,000 planes a month and there is no reason to suppose that the supply of construction materials will fail in the near future. The question of trained pilots is another matter. It is easier to replace machines than men. But Goering, one presumes, does not expect the Battle of England to be confined indefinitely to aerial combat. The final decision in the contest must be sought on land and sea, and the air force is apparently of adequate dimensions to insure that it will last out until the invasion is attempted, and to assist in the invasion once it has started.

The astronomical cost of the war to Britain was revealed this week in a *Reuter* dispatch from London. In the first six months of the current financial year, the country's ordinary total expenditure reached the colossal figure of £1,610,135,000, compared with only £562,000,000 for the corresponding period of 1939. Total ordinary revenue amounted to only £452,000,000. In other, words, the half-year deficit amounts to £1,158,135,000. Estimated total ordinary expenditure for the full financial year which ends on Mar. 31 next is £3,466,790,000 against estimated ordinary revenue totalling £1,360,000,000.

Thus it seems that the British Government is now spending nearly three times its income. The enormous deficits can be met only by loans and gifts and, if these are insufficient for the purpose, by outright requisitioning of wealth. Britain is living and fighting on her basic capital. In ordinary business this is the road to bankruptcy and one wonders how long it can be kept up. Whatever the outcome of the war, the British people are doomed to become steadily poorer and the country will be saddled with a mountain of debt which both the present and coming generations will have to bear.

Just One More Step



But *what* a step!

Graphic, London

In Europe proper, the outstanding development of the past week, apart from the alliance of the European Axis and Japan, was the final break-up of the Balkan Entente, a voluntary union of the small Balkan states whereby the latter had hoped to preserve their independence. Rumania, dismembered by Soviet Russia and Bulgaria with Germany's assistance, formally notified the other three members—Turkey, Greece and Yugoslavia—of her withdrawal. Yugoslavia then withdrew. Turkey and Greece, both still subject to British influence, have as yet not formally renounced the Entente, while Bulgaria never was a member due to her previously unsatisfied territorial claims against Rumania.

Meanwhile, tension between Greece and Italy has again arisen due to the alleged murder of three prominent Albanians in the Greco-Albanian frontier area. Relations between the two countries were strained about a month ago when an Albanian irredentist was killed in Greek territory. The tension appeared to have died down, but now has been revived. It would seem that these murder incidents are being employed by Italy with a definite end in view. Italy is evidently bent on weaning Greece away from the British camp and into the fold of the Axis.

THE WAR IN CARTOONS

"Watch Your Step, Soldier"

Daily Herald, London

"Frankenstein?"

Herblock in The Wilmington News

Meeting the Two-Fisted Threat

Times-Picayune, New Orleans

Both Want the Lion's Share

Glasgow Bulletin

Adolf: "You have a nerve Musso, demanding that, after I have done all the dirty work."

Benito: "You have not done *all* the dirty work Adolf."

Britons Convicted As Spies in Japan

Seven British residents of Japan arrested in the round-up of an alleged spy ring on July 27, were sentenced following conviction on charges of violating the Military Secrets Protection Law, the Fortified Zone Law, the Army Penal Code, the Wireless and Telegraph Law and the Military Resources Protection Law, the Japanese Ministry of Justice announced on Sept. 30. Three other Britions have been indicted and five others are under examination.

In making the announcement the Ministry lifted the press ban which had prevented mention of the names of the Britons since their arrest.

The seven convicted men have received fines and suspended sentences, the British Embassy announced on Oct. 2. Following are the men:

Mr. Michael Ringer, 27-year-old member of the firm of Uriu Shokai, Shimonoseki Steamship Agency, was sentenced to 14 months' imprisonment with a four-year stay of execution, the Embassy said.

Mr. Van Y. A. Ringer, 25-year-old Nagasaki agent of Uriu Shokai, was fined 150 yen and was sentenced to 18 months' imprisonment with a four-year stay of execution.

Mr. J. H. James, 57-year-old general manager of Nickel and Lyons, Ltd., freight brokers of Kobe, was fined 500 yen without trial; Mr. E. W. James, 52-year-old managing director of Cameron Company, a Kobe import and export firm, and president of the Osaka-Kobe Foreign Chamber of Commerce for the past 12 years as well as honorary Consul-General for Sweden, was fined 200 yen without trial; Mr. H. C. MacHaughton, 54-year-old honorary Consul for Greece, and owner of the MacHaughton Company, woolen dealers in Kobe, and Mr. J. F. Drummond, 60-year-old manager of Osaka-Kobe branch of Frazar Company, were also fined 200 yen without trial.

Mr. William Philip Charles de Trafford, 50-year-old lecturer at the Nagasaki Higher Commercial College, was released after trial.

Three others who are still being held under investigation by the Japanese are:

Captain C. H. N. James, Royal Navy Reserve, 56 years old, Representative of the Federation of British Industries;

Mr. H. O. C. Price, 29 years old, Managing Director of the Clifford Wilkinson Ensan Mineral Water Company, Kobe;

Mr. I. T. Wolley, 50 years old, chief statistician of the Rising Sun Petroleum Company, Yokohama.

One Japanese was also indicted on charges of assisting the British and convicted with them. One Japanese woman and five men were detained for questioning.

The announcement further disclosed that "scores" of persons high in Japanese society as well as statesmen were questioned as witnesses in the investigations.

Three Japanese have been severely cautioned against serving as tools for "spies" as a result of their "blind worship to anything foreign."

JAPANESE CLAMP DOWN ON U.S. BUSINESS IN N. CHINA

American business in North China suffered a severe blow this week when the Japanese military put a virtual embargo on the export of furs, *United Press* reported on Oct. 2. The Japanese further showed their hostility for American interests by the seizure of radio equipment and books of the American Radio Service in the Tientsin French Concession on Sept. 30. The seizure was carried out through the agency of the French police.

American fur merchants in Tientsin met on Oct. 2 to draw up a protest for submission to the U.S. Consul-General, the U.S. State Department and the Japanese Consul-General. In a meeting with the American Consul-General earlier in the day the merchants said the Japanese authorities had offered fixed prices far below the market level, for American-owned furs. The new regulations, they pointed out, practically prohibit the export of cotton, hemp, animal hair, leather and all furs and skins.

The raid on the American Radio Service was carried out after the American Consul-General had issued a warrent to the French police granting the right to search the premises. No permission was granted to seize the American property and remove it. This was done by the French over the protests of the United States marshal. The police also took into custody seven Chinese employees of the station. According to *United Press* report the prisoners and the property were made available for inspection to the Japanese at the French police station. The American Radio Service was compelled several months ago to remove its headquarters from the British Concession where its operation was banned at the behest of the Japanese.

Kuomintang C.E.C. Puts Off People's Congress Dine Die

Two vaguely worded measures which will serve to extend General Chiang Kai-shek's war dictatorship, were adopted in Chungking last week by the Central Executive Committee of the Kuomintang. They were: the postponement of the National People's Congress which was to have met on Nov. 12 and the extension of the tenure of office of present members of the National People's Political Assembly.

The reason advanced for postponement of the Congress was the difficulty of communication in China owing to the hostilities. Complete returns on the election of congressmen have allegedly not been received from outlying areas. The resolution embodying this decision considered it necessary to set another date for the convocation of the Congress since "great difficulties" were foreseen if the original date were adhered to. At the same time, lest any doubt the sincerity of its intentions, the General Election Office was instructed to "speedily formulate regulations governing the construction of an auditorium for the Congress and the reception of delegates to the Congress."

The resolution which in effect extended the term of office of present members of the National People's Political Assembly for an indefinite date beyond the October expiration, also expanded the "duties and powers of the members and resident members" of the Assembly. The resolution "revised and improved" the method for the selection of members." and "slightly increased" their number. The resolution substituted the Presidium for the Presidential system hitherto adopted by the assembly. The resolution ordered the completion of new procedure for the creation of the Second Assembly, by November. The date for its convocation was ordered fixed separately.

Japanese Finally Admit Ma Chan-shan is not Dead

A Japanese newspaper, the **Hochi**, has finally published a report admitting that the Chinese commander, Gen. Ma Chan-shan, is alive and to all intents and purposes is hale and hearty. The report stated Gen. Ma was leading a small force of Chinese troops harassing the Japanese in the vicinity of Ordos, Inner Mongolia. Gen. Ma Chan-shan was the only Chinese commander who put up serious resistance to the Japanese in Manchuria in 1931. Making a stand on the Nonni River, Gen. Ma defeated a large force of Japanese and blocked their advance into North Manchuria for some time. When faced with superior numbers equipped with field artillery, Gen. Ma retreated to Tsitsihar, capital of Heilungkiang, North Manchuria and later to Aigun on the Amur. The Japanese finally sent emissaries to Gen. Ma and invited him to join them as Minister of War in the Hsinking puppet government. Ma agreed, but he attached a condition that the Japanese should pay him a large sum, reputedly more than a million dollars in gold bars, with which he could pay his troops. The Japanese gave him the money and the wily Gen. Ma immediately rejoined his troops and started the war all over again. Finally, however, he withdrew most of his troops across the Amur to Blagoveshchensk on the Russian side, where they were disarmed, but later shipped around China's western border and permitted to enter Sinkiang province with their arms. In the meantime, the commanders of the Japanese Army had reported to the Emperor that the hated Gen. Ma Chan-shan had been killed. In proof they showed the Emperor a saddle and some gold bars, reputedly the property of the "deceased" Chinese general. However, the Japanese claims were soon shown to be false, for Gen. Ma circulated a telegram from Russia in which he exposed the whole story to an amused world. Since the Japanese army officers had told the Emperor that Gen. Ma was dead, the Chinese general had to remain "dead" so far as Japanese military reports were concerned, although the Japanese have been too well aware of Gen. Ma's activities in Inner Mongolia. Gen. Ma once invited a large number of foreign correspondents to his headquarters to prove that he was alive.

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Japanese Beat U.S. Seaman And Get Apology for Act

Seaman first-class, G. G. Burnett of the U.S.S. Augusta was beaten and detained by members of the Japanese Gendarmerie when he entered the Bank of Communications building on The Bund on Saturday night. Seaman Burnett, who was evidently fairly intoxicated, mistook the Bank entrance for a lodging house doorway. As a matter of fact the bank has been the illegal headquarters of the Japanese police since they seized it by force several months ago.

After being held several hours in the building despite efforts of the Shanghai Municipal Police and the U. S. Navy shore patrol to free him, Burnett was finally liberated through the efforts of senior officials of the U. S. Navy.

On Sept. 30 Admiral Thomas C. Hart, Commander-in-Chief of the U. S. Asiatic fleet, conferred on board his flagship with the American Consul-General, Mr. Richard P. Butrick, and Col. DeWitt Peck, commanding officer of the U. S. Fourth Marines. It was believed that their talk centered on the incident of the preceding night as well as the situation prevailing along The Bund where the plainclothes Japanese Gendarmes carry out "special police" work and maintain surveillance of the waterfront with the tacit consent of the Shanghai Municipal Police.

On Oct. 2 a Japanese military spokesman divulged the contents of a letter of apology for Burnett's conduct, addressed to Capt. J. Matsumoto of the Japanese Gendarmerie. While Japanese authorities declared the incident closed a spokesman of the U. S. Navy said that the facts of the case hardly warranted any apology from the U. S. Navy.

N.E.I.-Nippon Talks Falter At News of Military Pact

The Japanese press in unbroken unison last week demanded that the Netherlands East Indies define its political stand either on the side of the new triple military alliance of Germany, Italy and Japan, or with the Anglo-American front. Failing such declaration the immediate recall of the Japanese economic mission in the Dutch islands was urged.

The *Yomiuri Shimbun* stated on Sept. 28 that the new pact was causing grave uneasiness in the N.E.I. and that the entry of Japanese troops into Indo-China had come as a severe shock to the Dutch population. The paper reported that the Dutch were beginning to realize that they must define their future attitude in view of Japan's strengthened position. The *Hochi Shimbun* on Sept. 30 demanded the immediate recall of the Japanese mission to Batavia unless assurances were forthcoming of Dutch support for the construction of a "Greater East Asia."

During this period of uncertainty the Dutch and Japanese negotiators at Batavia were marking time and "nothing important" had come out of the talks by Sept. 30, end of the first 19 days. On that day Col. Ishimoto, a member of the Kobayashi mission, died a natural death at Bandoeng.

While the parleys had been kept steadily treading water at daily sessions, the Dutch were not sound asleep. On Sept. 25 the *New York Herald-Tribune* reported that 10 American aviators had been hired by the Dutch colonial government as instructors at US$10,000 per year.

Tientsin Phone System Turned Over to Japanese

A joint committee of the telephone control board of the Tientsin foreign concessions signed an agreement on Sept. 30 transerring the rights of management of the telephone offices in the British and French Concessions to the puppet Chinese Tientsin Municipality. The telephone bureau in the Italian Concession has also been transferred to the Chinese regime. The Municipality has "entrusted" the Japanese-controlled North China Telegraph and Telephone Company with the management of the telephone offices in the concessions. An agreement to this effect was signed between the Chinese mayor and Major-General Otohiko Inouye, president of the Company, *Domei* reports.

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94-178

France Backs Japan's 'New Order' and Surrenders in Indo-China

TIENTSIN EX-POLICEMAN KILLED IN INDO-CHINA

Commandant Schertzer lately Deputy Commissioner of Police in the French Concession of Tientsin, was buried with military honors at Hanoi on Sept. 26. He had been killed in action against the Japanese on the northern border of Indo-China on Sept. 23.

Lieutenant-Colonel Louvet known as the hero of the hostilities along the border, was killed by Japanese troops near Dong Dang when the Japanese commenced their invasion of the French colony. Col. Louvet was reconnoitering on a motorcycle when he spied Japanese troops crossing a bridge inside French territory. He advanced on foot to parley and was shot down, according to United Press report.

While the French are known to be negotiating for the release of between 1,000 and 2,000 Indo-Chinese troops held prisoner in Langson, it was reported on Sept. 29 that at least 140 French officers had made their escape from the captured town.

Others have not fared so well. Eight officers were said to have been bayonetted by Japanese troops in the area and 30 Frenchmen are reported to have been tortured by guerrillas in the Langson no-man's-land.

A grave lack of cohesion between the French Government at Vichy, the colonial government of Indo-China and the French colonial troops in Indo-China last week paved the way for the break-up of the French colonial Empire in East Asia.

The steps in this disorganization were clearly defined along the following lines:

(1) The colonial government of Admiral Jean Decoux agreed Sept. 26 to the landing of 2,000 Japanese troops at Haiphong by the terms of the understanding reached at Hanoi on Sunday Sept. 22. To facilitate the invasion French troops were withdrawn from Haiphong. At the same moment French forces opposing the invasion of Japan's south China Army in the north, were retreating from Langson near the Chinese border, which they had evacuated the previous day. The French troops had surrendered their position both because they had been ordered to do so and because of indecision which gave the Japanese invaders an opportunity to surround Langson without opposition before attacking.

(2) The Vichy regime on Sept. 27 became the silent but formal partner of Japan in its efforts to end the China War. Through conversations held between its Ambassador to Tokyo, Mr. Charles Arsene-Henry and Foreign Minister Yosuke Matsuoka, Vichy assumed the responsibility of aiding Japan in the establishment of the "new order in East Asia." This aid was to take the immediate form of according Japan "certain military facilities" in Indo-China. In return the French were guaranteed their "sovereignty in the colony."

(3) The small French Army which put up a valient resistance to the invading south China command of the Japanese when it held them for three day north of Langson, retired several miles south of Langson and on Sept. 28 entrenched itself in the hills overlooking the railway and highway to Hanoi. There, at the time of this writing, it was awaiting a Japanese advance which, according to the *United Press*, it was determined to resist.

Japanese Mission to Hanoi

Chungking cartoon depicts the Japanese Military Mission to Indo-China as a serpent. The gun indicates China's readiness to meet the menace.

Haiphong Entry

The Japanese entry into Haiphong on Sept. 26 in the best traditions of Japanese armies throughout China. A flight of warplanes was sent over the port and the native quarter bombed. Fifteen natives were killed, 18 more wounded. There had been no opposition to the Japanese and Hanoi protested. The Japanese commanding officer duly apologized. Two thousand Japanese troops accompanied by a tank column, then landed below the city which they took over. A total of 6,000 Japanese troops was expected at the port within the week. Japanese garrisons will be sent to the Gialam airport on the outskirts of Hanoi, to Phutho airport northeast of Hanoi and either to Phulangthuong airport halfway between Hanoi and the Kwangsi border or to the Laokay airport, in accordance with the terms of the agreement which grants the Japanese three airbases in the colony.

As the Japanese began establishing themselves in Haiphong they soon showed their contempt for the legal "rulers" of the colony, by making it compulsory for the French and other Europeans to obtain Japanese street passes. On Sept. 29 a band of the newcomers invaded a godown of the American-owned Far Eastern Trading Company and ripped down the American flag above it. Apology was later made for the insult. On the same day General Issaku Nishihara, who had hurriedly left Indo-China for Hainan Island the previous week to see whether he could not halt General Rikichi Ando's headstrong South China Army, returned to Hanoi to resume diplomatic negotiations. He returned just as the colonial government was packing its kit ready on a moment's notice to move south out of the sphere of the Japanese occupation. It was believed in Hanoi that General Nishihara was bent on securing permission from the French for the peaceful southward advance of Ando's Army, a fact which would indicate that General Ando had told his colleague the only concession possible in the matter would be such a French capitulation. General Nishihara's parley was of short duration, however, for on Sept. 30 he was replaced as head of the Japanese inspectorate, by Maj.-Gen. Raishiro Sumita.

Break-up Continues

In the meantime the break-up of the French colony continued steadily. Hanoi learned on Sept. 29 of the revised and slightly less extreme demands for territory in Indo-China made by Thailand. Almost simultaneously it was reported that a Thai warplane had flown over the town of Muongthadeua, 40 miles within Indo-China's border and had machine-gunned the constabulary post there. On the following day rumors circulated of a land invasion from Thai in the border regions of the French colony.

Whether the various native races of Indo-China would rise against the French in conjunction with the Japanese, and potentially serious Thai invasion, remained a troublesome question. Soldiers returning from Langson reported that the Japanese were circulating pamphlets through the area urging the natives to rise against the French and explaining the "new order in East Asia." At the same time anti-French guerrilla bands were reported roaming through the Langson no-man's-land, composed of native Annamites and Chinese.

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The Chinese who were most vitally affected by the invasion of Indo-China were massed on the northern border of the colony last week doing a great deal of talking. Reports flew from Chungking declaring that the Chinese armies were "ready to act on a moment's notice." It was admitted on Sept. 27 that no formal request for aid against the Japanese had come from the French, but the Chungking Foreign Office spokesman hinted that a plea had been made informally. And while the Chinese were still ready for instantaneous action a flight of Japanese planes subjected Kunming to the worst bombing in its history on Sept. 30. The planes were believed to have come from one of the newly acquired air bases in Indo-China.

Surrender Justified

Complete justification for its policy of surrender in Indo-China was found by the Vichy regime in the tri-partite military pact. Political circles in the French capital pointed out that by the terms of the pact Germany and Italy would have hastened to the aid of Japan had France dared lift a finger to obstruct the invasion of Indo-China. Therefore the French had to adopt a policy of "realism" in order to save their empire in the Far East. The French had one of two courses to follow: They could continue with Great Britain and the United States to aid China, a policy which would inevitably lead to an attack from Japan; or they could negotiate with Japan, recognizing it as the biggest power in the Pacific with paramount interests in the seas surrounding Indo-China.

The decision actually lay with the huge business interests vested in Indo-China, said these circles. The Ministry of Colonies, favored resisting the Japanese and the Foreign Ministry favored appeasement. Business won the day but not before the French Government had sounded Washington on the possibility of obtaining American aid against Japan. No promise was forthcoming.

On Sept. 27 the Chinese Consul-General in Hanoi Tseng Hiu-nien left Indo-China with his staff and all Chinese banks in Hanoi closed their doors. On the following day the Nanking regime's *Central Press Service* announced that an "expert of the Overseas Chinese Affairs Commission would be sent to Indo-China to investigate the conditions of the Chinese domiciled in that country." The jackals were not slow to snatch crumbs.

Convicts Get Reduced Terms for Brave Conduct

Twenty-three convicts in the Chinese penitentiary of Neisiang, Honan, have had their sentences halved by the National Government, *Kuo Min* announced on Sept. 23. The unusual reprieve came as a result of exemplary conduct of the prisoners who refused to take advantage of the recent demolition of their prison by Japanese air bombers, to escape. Those prisoners who did run off, returned after the raid, it was stated. The life term of eight of the convicts was reduced to 12 years.

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Shanghai Woollen Mills Boom, Then Slump as Markets are Cut

BY FREDERICK FANG

SHANGHAI had 10 large woollen factories prior to the outbreak of hostilities in 1937. They were the Chang Hwa, An Lo, Shanghai Worsted, Ta Lung, Chung Kuo, Wei Lum, Tien Hsiang, Hung Fa, Chen Sin and Wei Yi factories. In 1936 and early in 1937, when business was good, these plants operated day and night to fulfill their orders and as a result a number of small new factories were organized. The total number of woollen mills in 1937 was 38 with a total capitalization of $4,250,000, representing 65 per cent of the total woollen mills of the entire country. In addition there were five foreign mills operating in Shanghai, of which three were Japanese.

Annual production of the factories was estimated at more than $30,000,000, of which at least half was produced by the five foreign factories. The following table gives the capitalization of the 30 larger mills:

Capitalization	*Chinese*	*Foreign*
$ 50,000 and less	13	—
50,000 — 100,000	5	—
100,000 — 200,000	4	1
200,000 — 300,000	2	—
300,000 — 400,000	2	—
400,000 — 500,000	—	—
500,000 — 1000,000	2	—
1,000,000 and above	—	1
Total	28	2

Further details of some of the large Chinese mills are given below:

Name	*Capitalization*	*Location*
Chang Hwa	$1,200,000	Pootung
Wei Yi	50,000	Ma Pei Rd.
Tien Hsiang	100,000	Zikawei
Ta Tung	90,000	Alabaster Rd.
Hwa Tung	50,000	Alabaster Rd.
Hung Fa	100,000	Robinson Rd.
Shanghai Worsted	1,000,000	Yangtsepoo
Chung Kuo	240,000	Hongkew
Ta Lung	50,000	Ichang Rd.
Chen Sin	280,000	Zikawei
An Lo	—	Brenan Rd.
Ying Fung	200,000	Tokyo Rd.
Ta Te	84,000	Chong Ping Rd.
Kung Shen	100,000	Lincoln Rd.

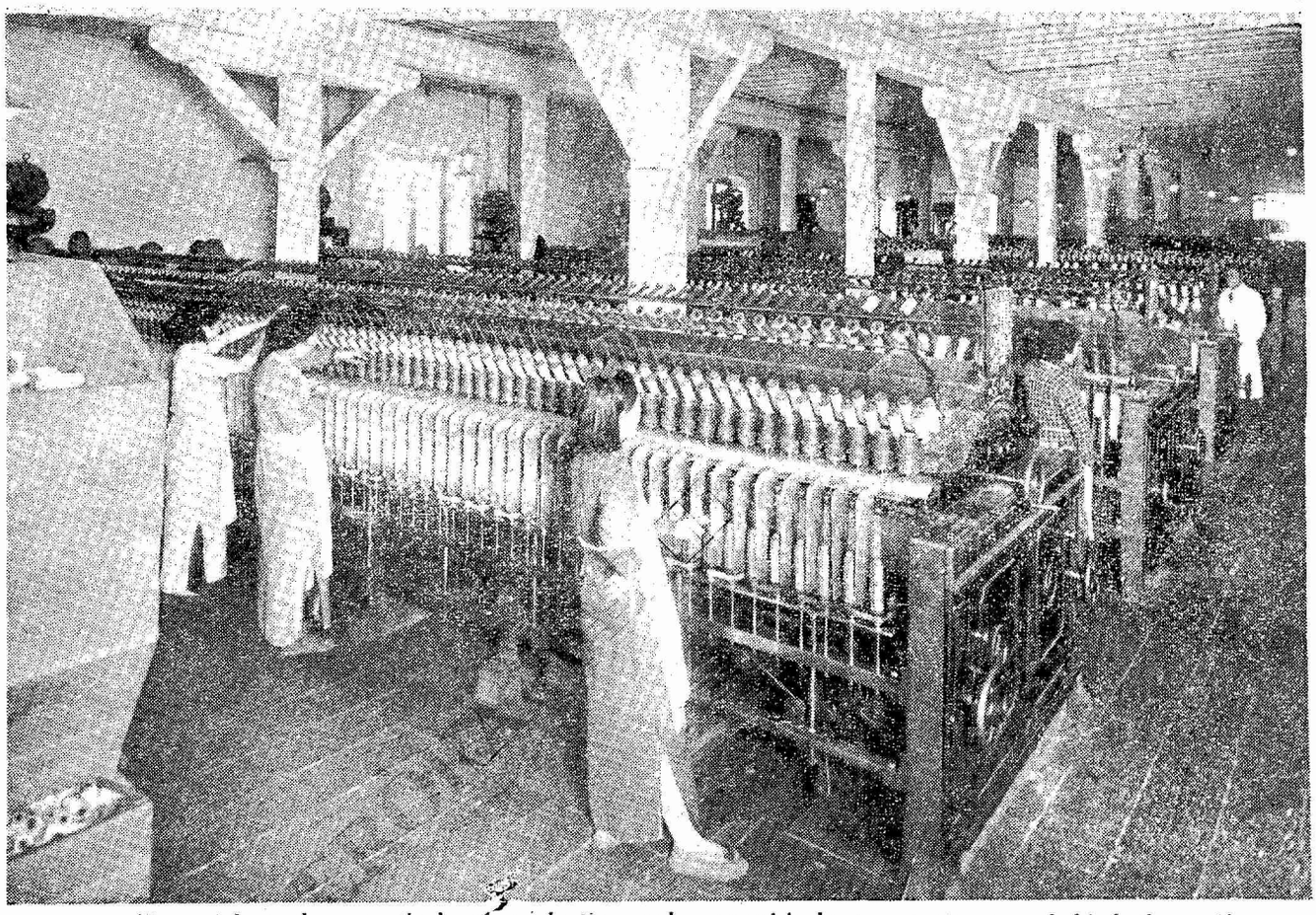
Escape Destruction

As most of these mills were not located in the fighting areas of Chapei, Hongkew and Pootung, few sustained losses during the hostilities in the latter part of 1937. The Chang Hwa Woollen Mill in Pootung succeeded in moving out $750,000 worth of raw materials and 2,800 spindles and 48 weaving machines. The Shanghai Worsted Mill in Yangtsepoo was not damaged but the Chung Kuo Woollen Mill was bombed twice, causing, however, little damage.

After withdrawal of the Chinese troops from the environs of Shanghai, the An Lo Woollen Mill was first to resume operations. As its Pootung building was occupied by the Japanese Shanghai Cotton Manufacturing Company, the Chang Hwa Woollen Mill resumed operations in its new premises on Brenan Road.

Many of the others started work once more in the early part of 1938 at their old sites in the International Settlement and French Concession. In the latter part of the same year, because of the demand for woollen piece goods, a number of small factories were organized, including the Ta Lai, Tien Chen, Chung Nan, Ta An, Chih Yi and others. By the end of 1938, a total of 24 woollen mills, both new and old, were operating in Shanghai.

In the early part of 1939 the Shanghai Worsted Mill resumed operation at its old Yangtsepoo site, opened a second factory for the production of worsted cloth and increased its spinning capacity by 2,000 spindles. In the same year the Ta Hwa, Great Shanghai, Ta Kwang Min, Ta Lung, Yu Min and Chung Kuo woollen mills reopened in temporary quarters. New mills organized during the same period were



Cheap labor, cheap methods of production and comparatively low rents were behind the swift resurgence of the woollen manufacture industry in Shanghai following the 1937 hostilities. Now faced with strict curtailment of interior markets by the Japanese the industry does not expect 1940 to be an overprosperous year. Above is a scene in the spinning department of the Shanghai Worsted Mill's No. 2 factory which operates 2,000 spindles.

Ying Fung and Shiu Sin. Organization of the first was begun in 1937. The second was actually removed from Wusih to Shanghai where it was set up with a total of 2,000 spindles and 20 weaving machines. Other small mills were organized in the latter part of 1939, including the Ta Yeh, Ta Te, Ta Tung, Sin Hwa, Ching Lung, Sen Chong, Ta Wei, Mow Lin, Ching Sin, and Hwa Chen. By the end of 1939, Shanghai had 42 woollen mills.

New Mills in 1940

In the early part of 1940, five new woollen mills were organized. They were the Hwa Lung, Te Ta, Yung Ting, Fung Sin and Ta Lu. The business of these mills was very good but when the value of the Chinese dollar dropped, communication with the interior was cut and the markets in the South Sea Islands closed because of control measures taken by the various countries, many of the small woollen mills were forced to suspend operation in June and July. By September of this year only 36 woollen mills, including 22 camel wool factories, remained in operation.

In 1938, following the withdrawal of Chinese troops from Shanghai, total production of the woollen mills dropped to 40 per cent when compared with that of 1937. By the end of the year, however, production increased considerably and that of woollen threads used for knitting purposes alone totalled 100,000 pounds a month. Meanwhile, the foreign mills produced another 100,000 pounds of these woollen threads each month. Total production of these mills was estimated to be 80 per cent of the 1937 figure. However, total turnover in value increased by four to five times when compared with 1937 because of the increase in the prices of woollen goods.

Before the war, products of the Shanghai woollen mills were sold mainly at ports along the Nanking-Shanghai Railway, the Shanghai-Hangchow Railway, the Yangtse river, and in Hunan, Hupeh and Szechwan provinces. It was estimated that more than 4,000,000 pounds of woollen threads were sold in these provinces.

Wartime communication difficulties halted this Trade and only small quantities could be sent to the Yangtse ports; some of the products were sold in North China while a small amount was shipped to the South Sea Islands. However, because of the large demand for woollen gloves in the United States in the winter of 1938, a large quantity of woollen thread was consumed locally for the knitting of gloves.

Raw Wool Imported

Although China produces wool, the Shanghai mills depend completely upon the supply of raw materials from Australia and England. The following table gives the quantities of wool imported during the past three years:

	Wool Quantity in Kilogr.	Value in C.G.U.
1937	6,513,351	8,558,153
1938	333,462	619,984
1939	1,972,028	2,636,153
Jan.-June, 1940	800,915	1,658,022

Prices of woollen piece goods remained almost the same in the early part of 1938 when compared with 1937. However, in May, 1938, the price started to rise as the value of the Chinese dollar dropped in the Shanghai market. The price increased further after September, 1939 when Great Britain declared war against Germany, and it was generally feared that a decreasing amount of raw materials would be sent here from England. The prices increased once again in February, 1940 when reports were received to the effect that the authorities in England and Australia would ban the export of wool.

The increase of freight charges and marine insurance charges as well as the decision of the exporters to calculate prices in American dollars helped send prices up. The prices reached their peak in May of this year when the Chinese dollar slumped once again in the local market. For instance, blue serge which sold in May, 1938 at $2.95 per yard, was increased to $4.75 per yard in December, 1939. In June, 1940, it advanced to $14 per yard. The price of woollen thread increased from $3 per pound to $15. Camel wool piece goods which previously sold at $2.30 per yard are now $5.50.

The price increase is mainly due to the cost increase of raw materials. Before the outbreak of hostilities wool used for the manufacture of threads sold at $1.80 per pound. Adding the cost of production, amounting to $0.48, the cost of one pound of woollen thread was therefore $2.28. At present the cost of wool is over $11 per pound and as the cost of production has increased several times the total cost of one pound of woollen thread runs from $13 to $14.

In 1938, the Chang Hwa, An Lo and a few of the other large woollen mills made large profits as they had purchased long before-hand large quantities of raw materials. In 1939, all the mills again made handsome profits because of heavy demand for woollen goods. The Ying Fung Woollen Mill alone was reported to have made a net profit of $1,000,000. In view of the general business depression at the present time, it is not expected that the mills will make much money by the end of this year.

Chang Cheng, Nanking Garrison Commander Dies

The commander of the Nanking garrison brigade and concurrently commander of Gendarmes in Nanking, Major-General Chang Cheng, died on Sept. 29, according to the Nanking *Central Press Service*. He was said to have been an officer in the National Government's Army for many years before deserting to the puppet regime.

Chungking Prohibits Sale Of Luxuries from Oct. 1

In order to curtail unnecessary expenditure during the rest of the war the Chinese Ministry of Finance decided last week to prohibit the sale of certain luxuries as of Oct. 1, it was announced by Kuo Min. These include rolled tobacco, marine products, cosmetics and toys.

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Britain's Decision on Burma Road Awaited Throughout the World

WITHIN a fortnight Great Britain must make a decision on Far Eastern policy; whether to throw in her hand openly against Japan by reopening the Burma road to Chinese commerce with the outside world.

The British agreement with Japan to close the road for three months ends on October 17. It contains no clause to prevent its extension and it was possibly the original intent of its creators that the road should remain closed for an indefinite period after October 17 in order to continue the policy of appeasing Japan for the preservation of British interests in East Asia.

Now the tri-Power military pact has been signed and Britain knows that an ally of Germany, no matter how passive for the present, is an open enemy of Britain. Further appeasement will postpone the Japanese attack for a time; it will not halt its inevitable occurance. Further appeasement will mean that, where Britain is concerned, Japan must be permitted a free hand in the Netherlands East Indies just as in Indo-China.

Japanese Threat

On the other hand the reopening of the Burma road will hasten Japanese aggression against the British Empire in the Far East. No small part of this empire is tied up in prosaic business investments in Shanghai and other regions of China now under the immediate heel of Japan. There are powerful interests working to continue appeasement.

But in the long run Britain stands more to gain by opening the road than appears on the surface. The Anglo-American front is growing progressively firmer as the United States sees its interests tied to Britain's in every part of the world. The United States recently loaned China US$25,000,000 with the intention that it be used. Its only practical use, for China is in trade with the outside world over the Burma road.

Events of the past two months indicate that Britain intends to define her policy in the interest of her natural allies rather than at the behest of her own immediate interest. The joint use of the Singapore naval base by Britain and the United States has been discussed and since the signing of the tri-power pact Australia has been uneasy about imperial defense in the face of a Japanese threat. Both developments argue loudly of the stand Britain intends to take. On Sept. 30 United States Secretary of State Cordell Hull and the British Ambassador to Washington, Lord Lothian met amid swelling rumors that the Burma road would be reopened. On the same day Mr. Hull said there was "nothing new to report" in connection with other rumors that American warships would be granted the use of bases in New Zealand and Australia.

While the Chinese press in Chungking has been arguing steadily for a reopening of the road since the signing of the tri-power pact, a report came from Chungking on Sept. 28 announcing that well-informed circles in the capital believed the British Government had reached a decision to terminate its agreement with Japan on the date of expiration. On the same day *Transocean* reported from the United Stated a dispatch from London to the *New York Herald Tribune* announcing that the road would be reopened before the date of expiration. Public organizations in Chungking and London are circulating unending petitions urging the immediate opening of the road.

Japan Warned

On Sept. 29 the *United Press* carried a dispatch from London stating that a British Government spokesman had warned Japan that after being at war for more than a year Britain was toughened and in no mood for more appeasement. The rebuke which, if correctly reported, is the sharpest official comment made on Japan in many years, came in answer to Japanese Foreign Minister Yosuke Matsuoka's broadcast of Sept. 27 threatening Japanese entry into the war on the side of the Axis "if provoked by the obstructionist powers."

The Burma road has become a symbol. It has been derided as commercially uneconomic; it has been discussed as the easy target for Japanese bombing squadrons with air bases in Indo-China. The *Foreign Policy Association* Bulletin of Sept. 30 termed China the "First Line of defense of the Democracies" and to the Democracies the Burma road has become the symbol of the vital artery through which to maintain the inner strength of the China bastion.

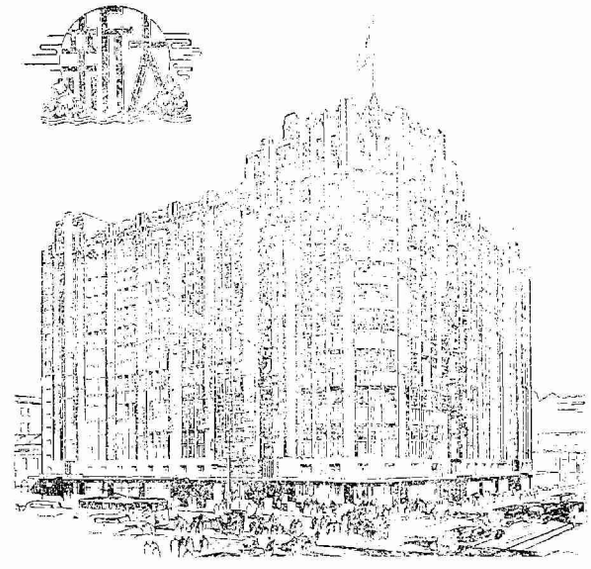
Burma Discontented Over Defense Act Enforcement

The political unrest seething in Burma came suddenly to the surface on Sept. 30 when the Senate of the colony defeated by a narrow margin of 12 to 8, a resolution "strongly disapproving of the manner in which the Burma Defense Act and the rules thereunder were being administered."

In submitting the motion U Kyaw Din, opposition leader agreed that the main provisions of the Act were laudable but declared that its administration had aroused dissatisfaction in the country. He alleged that the recent prosecution of the ex-Premier Dr. Ba Maw was the "result of political rivalry." U Pu, the present Premier declared the government had prosecuted Dr. Ba Maw because he tried to hinder the successful prosecution of the war, not for political reasons.

The Burmese Home Minister stated in the House of Representatives on the same day that up to August 20 there had been 100 prosecutions under the Defense Act, in 24 of which convictions were recorded.

Earlier in the week the government showed that it had not relaxed its interest in members of the opposition when on Sept. 27 it ordered the arrest of Dama Ba Thein, Chief Whip of Dr. Ba Maw's party, *Reuters* reported. On the same day the Governor of Burma prohibited the entry into the colony of two books calculated to incite rebellion.



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94-185

Nanking Refuses to Renew British Lease

Great Britain's 10-year lease on the Chinese island of Liu Kung near Weihaiwei, expired on Sept. 30. On that date the Minister of Foreign Affairs of the Nanking regime, Chu Min-yi, announced that the lease would not be renewed. According to Chu the British government had approached Chungking on the matter of renewal, in March of this year and was understood to have obtained the National Government's consent.

For the first time in its brief existance the Nanking regime stood face to face, from behind Japanese skirts, with the British lion. Nanking roared in falsetto: "....we have to point out that the National Government in Nanking is *de jure* as well as *de facto* government of the Chinese Republic which has administrative power over the island. The renewal of the agre .. it in question has never received the approval of the National Government, it can hardly be agreed to us. The Ministry of Foreign Affairs has formally advised the British Ambassador to China that the Chinese National Government has no intention to prolong the period of British privileges in the Liu Kung Tao Island...." It would be interesting to learn whether the British intend pressing their claim to renewal. The Japanese Army is *de facto* ruler of the territory.

Liukong was formerly part of the treaty-port territory of Weihaiwei obtained by the British in 1898 as a potential naval base to counterbalance the Japanese in newly-occupied Port Arthur to the north and the Germans in Tsingtao to the south. The British never developed their port into anything but a summer resort. On April 18, 1930 Britain agreed to return the sovereign rights over Weihaiwei to China in return for the special lease on Liukong which was desirable as a summer convalescence resort for the British Navy in China waters. The lease carried clauses which would permit its renewal either in the original form or under new conditions to be fixed by both parties.

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94-186

2 Japanese Officers Shot in Hongkew

Two mysterious shootings of Japanese military officers in Hongkew took place within a few minutes time on the night of Sept. 29. No trace of the murderers could be found although the Japanese Naval Landing Party closed Hongkew to Chinese travellers immediately after the shootings.

The first attempt was made at 10:15 p.m. on a Major Isobe of the Japanese Army. He was shot twice in the back while riding in a ricsha near the corner of Woochang near North Szechwan Road. Fatally wounded, he was taken to the Shinozaki hospital where he died less than an hour later. The report, subsequently confirmed by the Japanese military authorities, was not permitted publication in the Hongkew Japanese press.

The shooting of a Japanese Naval Commander shortly after the above was announced in the *Shanghai Evening Post and Mercury* several days later. The paper stated that the officer had been taken to the Naval Landing Party's hospital. The report was officially denied by the Japanese authorities.

As a result of what may be the initial stage of an anti-Japanese wave of political terror, Japanese sentries at street posts in Hongkew were more on the *qui vive* than usual this week and on Monday afternoon one at the Hongkew creek bridge on Broadway fired at a truck which failed to stop. The shot killed a German Jewish refugee in a nearby bus.

Nanking Pressure

The steady pressure on Shanghai of Nanking's political terror continued last week, directed now against the Chinese members of the Shanghai Municipal Council and several Chinese committeemen of the same body who were recipients of letters demanding immediate resignation from public office and threatening dire results in the event of refusal. The letters were sent by the "Chinese Ratepayers' Association" established under Japanese protection in Hongkew. Earlier in the month, on Sept. 19, the Councillors had received similar letters from the same group in which they were given only five days to consider.

Loyal Chinese in the Settlement were reported by the *North-China Daily News* distressed at the threat presented by the Nanking-backed organization to the existance of the present Ratepayers' Association in the Settlement. It is pointed out that the new group, formed several months ago, has been recently reorganized and includes few actual ratepayers. Already the established organization has felt the pressure of Nanking with the departure from Shanghai of Mr. Tao Lo-ching, general secretary, who was on the puppet blacklist.

The arrest in and around Nanking of 21 "die hard" members of Chungkings San Min Chu I Youth Corps, on August 29, was reported last week by the Nanking *Central Press Service*. The report declared that many members of the Corps have pleaded allegiance to Nanking following the treachery of their leaders who early in September, went over to the puppet regime with a list of 800 names of members in the Shanghai area.

It was announced simulataneously from Nanking that five members of the Chungking Blue shirt organization, had been arrested in the city on Sept. 7. Under the "leadership of a certain Wang" the five were said to have slipped into Nanking early in July and to have gained admittance to the service of "certain" government organs through which they were enabled to spy out the movements of prominent Nanking officials.

The size of the two groups seized indicates that Chungking agents are discovering considerable sympathy for the Chinese cause in the very stronghold of the enemy.

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94-187

Traction Co. Strikes End In Settlement

The strike of Shanghai traction company employees which kept 7,000 on the picket lines through the greater part of last week, flared into open violence on several occasions and finally spread to 900 workers of the Shanghai Municipal Council's Public Health Department, was partially ended by Sunday.

The strike started when International Settlement tramway laborers walked out on Sept. 20. They were followed on Sept. 24 by the bus company employees and on the following day by the French Concession traction company employees.

All day Saturday officials of the China General Omnibus Company and the Shanghai Electric Construction Company which operate in the Settlement parleyed with delegates of their employees and late in the afternoon agreed to grant certain concessions to demands. Among these were a special rice allowance of 35 cents per day as of Sept. 1; no dismissal without sufficient reason and full payment of wages for one day of the strike. Busses and trams were in full operation in the International Settlement on Sunday.

Frenchtown Strike Bitter

In the French Concession the strike of bus and tram employees of the Compagnie Francaise de Tramways et d'Eclairages Electriques had not yet been settled by Wednesday of this week although the strike appeared to be broken as groups of workers trickled back to their jobs with each passing day. The Frenchtown strike was most bitter On its opening day armed pickets were reported to have prevented employees from reporting to work. The traction company retaliated by operating a skeleton service throughout the week and more violence flared when strikers or *agents provocateurs* threw two hand-made grenades into tramways on Avenue Joffre on Sept. 27, injuring several passengers in the crowded vehicles and partially burning one car.

The total cost to the companies involved in the strike was estimated at $480,000. The strikers are believed to have lost more than $7,000 a day in wages.

Abortive P.W.D. Strike

The strike of P.D.W. coolies proved abortive. Several hundred coolies returned to their work on Saturday after an absence of two days and 600 more returned on Monday. No sooner had these last started work, however, than 250 more walked out. By Oct. 1, all had returned to work evidently without ever having submitted any demands.

It appears less certain now that the Nanking "General Labor Union" had a great deal of influence in the guidance of the strike wave, although it admittedly tried to assume control. On Sept. 26 the Nanking organ *Central China Daily News* declared editorially that "nation-wide peace" was a prerequisite for the solution of the problem of livlihood and that to secure this prerequisite the "present labor dispute must and will naturally be merged in the main current of the peace movement." As long as the present *status quo* is maintained in the foreign areas, it went on, the living conditions of the large number of Chinese laborers would not be improved. The editorial concluded: "Fellow workers, fight on! The comrades of the Peace Movement are standing by you."

No sooner had the strike ended than a typhoon hit Shanghai causing one of the worst floods in years and immediately putting all tram systems temporarily out of order.

Standard Time Returns To Shanghai October 12

Daylight Saving time in Shanghai will end on October 12, it was announced this week by the Shanghai Municipal Council. On that day all administration clocks both in the foreign concessions and in the territory of the Chinese municipality will be set back one hour. The change was agreed to by the French Concession Municipality, the Shanghai Municipal Council and the City Government of Greater Shanghai.

In Tientsin the British Concession authorities announced the continuation of Daylight Saving for an indefinite period after Sept. 29.

Nanking Records Population Increase of 3,000

Census statistics of the Wang Ching-wei regime for the first half of September reveal that since the inauguration of the puppet government at Nanking in April of this year, the population of the capital has increased by 3,000. This news released by the official Nanking *Central Press Service of China* speaks louder than any propaganda of the esteem in which Nanking is held by the millions who inhabit the surrounding regions of the Yangtsze valley. It speaks too of the freedom, or lack of freedom of movement in which this huge mass, cowed by the Japanese Army, dwells.

Nanking in the days before the war had swelled to 1,000,000 population as the capital of a growing nation When the Wang Ching-wei regime was inaugurated last spring the ravages of war had left a population estimated at between 300,000 and 500,000 (the lower estimate of Japanese) and now six months later the pitiful increment of 3,000 is reported. If this figure itself were to be analyzed it would be found to be composed largely of Japanese, and officials of the new regime.

The same census revealed that 143,290 people now reside in the Shanghai suburb of Nantao. This was registered as a large increase over previous months and was attributed to efficient police supervision During September the population of Nantao was estimated to have increased by from 10,000 to 20,000.

94-188

Guerrillas Active; Kunming Bombed

Action in the China war continued last week to take the form of guerrilla initiative on the part of the Chinese and air bombing raids on the part of the Japanese. Guerrillas were particularly active in southern Shansi where the Eighth Route Army had launched a "guerrilla offensive" against Japanese held railway lines late in August.

The towns of Yangchen, Kaoping, Changtse and Chinchen were reported the principle scenes of Chinese attacks in the south Shansi theater. The defense works of Chinchen were said to have been breached on Sept. 30. The town is the southern terminus of the Paikweicheng highway. In western Hupeh guerrilla units assailed Japanese positions along the Han River, according to Chungking Report.

In the central part of Shansi guerrilas reportedly re-entered Yushe, south of the Chengting-Taiyuan railway after a desparate battle in which 500 Japanese were killed.

Fifth Column in Peiping

Peiping had a scare last week when it was reported that a rapidly growing Chinese *Fifth Column* was operating in the city in conjunction with Chinese guerrilla units in the nearby Western Hills. Japanese residents of of Peiping were being armed to form a volunteer body necessitated by the very small Japanese garrison.

The penetration of guerrilla forces to the Nanking area was attested to this week by *Domei* which reported a battle between Japanese units and the 189th Regiment of the 63rd Chinese Army Division, at Shihmakiao, 65 miles south of Nanking. The Japanese claimed to have left 1,000 Chinese dead on the field. Two Japanese officers were reported killed.

Japanese Occupy Tienyi

Another reported Japanese gain during the week was the occupation of Tienyi, alleged Chinese stronghold 36 miles west of Nanchang. It was necessary to smash the 19th Route Army before the town could be taken, a *Domei* report stated.

On Sept. 30, Japanese planes gave Kunming the worst bombing of its history, according to *Reuters*. The planes which were believed to come from one of the newly acquired bases in French Indo-China caused severe damage to foreign property. Ironically enough, the French Bank of Indo-China building was demolished and the French Yunnan Railway compound was hit by six or seven bombs. The Hotel du Commerce, believed to be owned by French interests, was also hit by two bombs. The Church Missionary Society hospital and the head nurses home were destroyed. In Central China Japanese naval air units on Sept. 28 raided Chinese positions at Tungliu near Anking in southern Anhwei.

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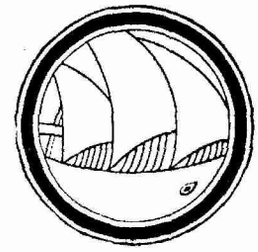
TRADE  MARK

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94-189

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

August 31

General Nobuyuki Abe and Wang Ching-wei meet at Nanking to acknowledge completion of 54-day negotiations for settlement of basic relations between Japan and Nanking regime. New treaty, which was drawn in final form on August 28, is based on Konoye's three principles: good neighborliness, economic cooperation between Japan and China and joint defense against Communism. It is expected to be signed formally in the first part of October.

Increased guerrilla warfare was the most outstanding military development in China during the week, according to the press section of the Japanese Expeditionary Forces in China. Japanese troops clashed with units of the 120th and 129th Divisions and anti-Japanese students in Shansi. In Central China, minor engagements occurred between the 13th and 39th Chinese Divisions and Japanese troops. A four-day battle was waged between units of the 176th Chinese Division cooperating with four regiments of the Peace Preservation Corps and Japanese forces, the report said. In all cases the Japanese claimed victory.

Chungking quarters have no knowledge of a reported Italo-German economic mission on its way through China to Indo-China.

Japanese release British s.s. Fatshan from month-long detention in Canton, after amicable agreement has been reached between British, Japanese diplomatic officials. Fatshan was allegedly held for non-payment of pilotage fees. These paid on release.

General Ou Yang-ko executed in Chungking on August 20 after a court-martial pronounced him guilty of insubordination in the face of a Japanese attack, desertion and embezzling more than $170,000 in government funds.

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September 1

Four North China railways have been blocked for the past month by Chinese guerrilla activity, according to Chungking report. The lines are the Shihchiachwang-Taiyuan, Tienstsin-Pukow, Tatung-Puchow and Peiping-Hankow. The Chinese claim to have driven the Japanese garrison from Shouyang on the Shihchiachwang-Taiyuan line on August 23.

Japanese Army planes raided Paoki, western Shensi terminus of the Lunghai railway, yesterday. Japanese naval air units bomb sectors west of Chekiang-Kiangsi railway.

Japanese warships yesterday shelled Lappa Island near Macao, where puppet Chinese troops have rebelled and taken to the hills.

Tokyo undergoes first day of 10-day air-raid drill. On October 1 nation-wide drills will take place for a six-day period.

Chungking denies that the war capital will be moved farther into interior to avoid Japanese air bombings.

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September 2

Chungking report claims Chinese forces are bearing down on Lungchow, Japanese garrison town on the Kwangsi and Indo-China border. Most of the Japanese garrison is being forced to retreat, according to the official Central News Agency. War dispatches claim confusion reigning in Lungchow as Japanese burn down obstructing houses in order to get clear view of attacking Chinese forces preparatory to siege.

Amidst Japanese press-warnings to beware the cunning of the N.E.I. Dutch, special envoy Ichizo Kobayashi, Japan's Minister of Commerce and Industry, sails from Moji for Batavia, N.E.I. Kobayashi says he has no definite program for concluding trade pact with N.E.I. Dutch Minister to Washington, Alexander Loudon, tells Harvard University that Dutch will defend colonies against all comers.

Japanese planes again bombed Paoki, Shensi yesterday. Japanese naval bombers destroy bridge over Tung River at Liuchow, in central Kwangsi.

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September 3

About 100 Japanese planes bomb cities near Chungking coincidentally with arrival of British Ambassador, Sir Archibald Clark Kerr, in capital. Raiders attack nearby cities of Ninchung, Kwangan and Suining.

Official Hanoi communique states ultimatum was presented by Japanese on September 1 demanding passage of troops through Indo-China, but was rejected. Vichy explains Gov.-Gen. Catroux was removed from post in Indo-China because he expressed intentions of opposing French-German armistice. Japanese press continues to report uprisings in Indo-China and warns Japan will oppose attempts to overthrow Vichy regime. French authorities permit Japanese airliners running between Formosa and Siam to stop at Hanoi.

Japanese naval forces claim the sinking of a Chinese gunboat, the Koan, and four freight vessels, evidently on the upper reaches of the Yangtsze. Naval aircraft also bomb Patung on west Hupeh border.

New York **Times** stands against appeasement of Japan.

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September 4

French official communique announces recognition of right of Japanese to passage of troops through Indo-China. Refusal of the ultimatum explained on the grounds that the demand for swift passage of troops was held to overstep the Vichy agreement. Japan denies any ultimatum delivered on Indo-China question.

Japanese naval bombers yesterday raided western section of Chekiang-Kiangsi railway, inflicting heavy damage, according to **Domei**. Bomb Kwangsin on east Kiangsi border. Japanese naval air units today raid west Hunan towns of Chihkiang, Chenki and Shenchow.

Japanese admit railway between Peiping and Tientsin was dynamited yesterday morning, disrupting traffic for rest of day.

Japanese forces in southern Anhwei have crushed out the 176th Division in a series of 33 encounters in the vicinity of Tunling, says **Domei**.

Chou En-lai, Communist leader, declares at Chungking that no rift exists between Communists and National Government.

Hongkong Government today drafts legislation to prevent evacuees from returning to colony.

Japanese close Pearl River to navigation on pretext of cholera in Hongkong. S.S. Fatshan, British steamer just released by Japanese, will therefore have to stay in Canton indefinitely.

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September 5

United States notifies Japan that the situation in Indo-China "is a matter to which the United States Government attaches importance." Thus far, declares U.S. Secretary of State Cordell Hull, the U.S. has no confirmation of a Japanese ultimatum to Indo-China reported by the press, but should such come it would have an unfortunate reaction on the American public.

Mr. Hull simultaneously announced that the United States would stand pat on its refusal to permit the Japanese forces to take over all the Shanghai defense sectors evacuated by the British forces last month.

The Japanese ultimatum to Indo-China has been withdrawn, according to **Reuter.** Japanese subjects and the Nishihara mission which were yesterday preparing to evacuate, have received orders to remain. Vichy declares negotiations with Japan are continuing.

Maj.-Gen. Arthur E. Grassett, commander of British forces in Hongkong, told American journalists yesterday that the British would defend the crown colony until the last.

For the first time this year Japanese planes bombed Ningpo yesterday.

Japanese claim victory over 3,000 regular troops in southwestern Kwangsi under command of General Huang Tuan-hua. Battle took place near Nanning.

Japanese admit considerable fighting in progress against Eighth Route Army in Shansi, with the Japanese winning all victories.

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September 6

French have surrendered to Japanese demands for passage of troops through Indo-China, according to reports from Manila and Chungking. Foreign Office spokesman in Tokyo states that Japan does not intend to answer U.S. Secretary of State Cordell Hull's warning on Indo-China.

Japan's "big Four": the Premier, Prince Konoye; the Foreign Minister, Mr. Yosuke Matsuoka; the War Minister, Lieut-Gen. Hideki Tojo and the newly-appointed Navy Minister, Admiral Koshiro Oikawa, decided in a two-hour meeting yesterday to ignore foreign representations and to push Japanese claims in Indo-China, according to the **Kokumin Shimbun,** Army organ.

The Japanese press today accused the United States of attempting to thwart Japan's plans for southward expansion.

The Tokyo Foreign Office spokesman declared today that the Shanghai defense sector issue was a local affair and should be settled by qualified observers on the spot. He said it was his impression that the United States wanted to settle the matter permanently.

Japanese Apply New Names to Foreign Games

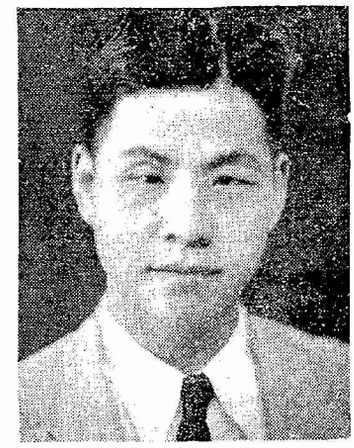
The current movenent to eradicate all foreign influence from Japanese life has descended to the realms of sport. It is announced from Tokyo that henceforth American football and American baseball will be known to the spectators under new names. Football which was introduced into Japan five years ago by American instructors is to be called "kaikyu" or armor football. Baseball will evidently retain its present name but teams such as the Tokyo Tigers and the Eagles have both adopted minor alterations in theirs.

According to *Havas* the Japanese have been somewhat stumped to find a proper equivalent for the baseball terms, "safe" and "out".

It would seem that in their eagerness to oust foreign influence from these sports the Japanese have overlooked one very basic item. The games themselves are intrinsically foreign, uncompromisingly American. Only by eliminating them from the playing field can the anti-foreign movement be carried to its logical conclusion.

Who's Who in China

Lu Shao-yu, library expert and author; born at Sing-chang, Chekiang, 1907; graduated from Great China University, Shanghai, in 1928 and Boone Library School, Wuchang in 1933; librarian of the Great China University



呂紹虞
Lu Shao-yu,

and lecturer in library science in the same University, 1933-36; acting librarian of Hung Ying Library since 1936; author of "Simple Library Management" (Commercial Printing Co. S'hai, 1935), "A List of Subject Headings for the Chinese Libraries" (China Library Service, S'hai, 1937); "Essays on Librarianship" (China Library Service, S'hai, 1938); translator into Chinese of J. C. Dana's Library Primer (China Library Service, S'hai, 1938); L. D. Arnett's Elements of Library Methods (Great China University, 1934); Brownse's How to Use the Library (Educational Publishing Co. S'hai); Zaidee Brown's Library Key (Commercial Press, S'hai, 1935); W. W. Randall's College Library (China Library Service, S'hai, 1938); J. J. Gerould's College Library Building (Library Association of China, Peiping, 1936); "Libraries" in Encyclopaedia Britannica (Central Military Academy library, Nanking, 1936); and "How to do Research Work" (Ch[illegible] Society of Arts and Science, S'hai, [illegible] Editor of "Principles and Practices of Classification of Books" (Great China University, S'hai, 1935); "A Bibliography of Books on Education in Chinese" (Boone Library School Quarterly, Wuchang, 1932) "Index to CHAI FU YUAN KUEI" (Library Association of China, Peiping, 1933); "How to Read Books, Magazines, and Newspapers" (Union Publishing Co. S'hai, 1937) and "Commonsense in Wartime" (World Book Co. S'hai, 1936). Editor-in-chief of "Shanghai Weekly." Address: Hung Ying Library, Shanghai.

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Men and Events

Chen Chung-hsing has been appointed secretary-general of the Control Yuan, according to **Kuomin** report from Chungking.

*

Dr. M. C. Balfour, representative in China for the Rockefeller Foundation, departed this week for Chungking, traveling by way of Hongkong.

*

J. M. Howes, secretary of the American Chamber of Commerce, and Mrs. Howes and their two children, who have been on vacation at Peiping, were expected to return to Shanghai this week.

*

The Legislative Yuan of the National Government on September 26 approved the various agreements and regulations of the International Postal Convention, according to a **Kuomin** report from Chungking.

*

Dr. John C. H. Wu, former legal adviser to the International Settlement, was among the 50 members of the Legislative Yuan, which held its 194th meeting in Chungking on Sept. 30. Yeh Chutsang, vice-president presided.

*

A daughter, Ann, was born to Mr. and Mrs. T. H. Koerner at the Country Hospital on Sept. 28. Mr. Koerner is manager of the American accounting firm, Haskins and Sells.

*

The Japanese announced the opening, on Oct. 1, of direct telephone service between Kalgan and Tokyo, the distance between the two points being 2 500 miles. The charge will be Yen10 20 for three minutes and Yen3.40 for each additional minute of conversation.

*

The British Embassy and Consulate-General in Chungking will be removed from the south bank of the Yang'tsze, opposite the city proper, back to their former premises on "Consular Lane," **Reuter** reported last week. The premises on "Consular Lane" were badly damaged by Japanese bombs, but are now undergoing repairs.

*

Gen. Toshizo Nishio, Commander-in-Chief of the Japanese Expeditionary Forces to China, and his Chief-of-Staff, Lieut.-Gen. Seishrio Itagaki, were entertained at a dinner party in the International Club at Nanking on Sept. 27 by Wang Ching-wei, head of the central puppet government.

*

The U.S.$10,000 recently donated by the American Red Cross for the relief of Chungking air-raid victims will be used to construct two residential centers for poorer people in China's war capital, according to the **Ta Kung Pao**. A small part of the money has already been expended in the building of temporary matshed structures to house the homeless, the paper stated last week.

*

Mrs. Donald Roberts, professor of history at St. John's University, addressed the members of the American University Club at luncheon at the American Club on Tuesday of this week. The subject of the address was "What College Men Have Failed to Learn."

*

A **Domei** report from "Somewhere in Japan" on Sept. 26 stated that 250 Japanese wrestlers, including two champions—Futsbayama and Minanogwa—departed for central China for the purpose of visiting Japanese officers and men on the various fronts. They will remain in China for a month.

Sun Li-pei, representative of the Nanking Ministry of Foreign Affairs, arrived in Tokyo on Sept. 30 and announced that he intended to "take charge of the preparatory work for the reestablishment of the Chinese Embassy in the Japanese capital." He said that plans also were being made to reopen the Chinese consulates in Japan and that candidates for appointment as consuls were being considered.

*

H. A. Sevenoaks, member of the Shanghai Municipal Police, was married at the British Consulate-General on Saturday afternoon, Sept. 27, to Miss Besse E. Messenger, daughter of the late Mr. and Mrs. Clair Messenger of California. J. S. Service attended the service as witness from the American Consulate-General. The wedding took place before L. H. Lamb of the British Consulate-General.

*

George Hsu Chien, former Minister of Justice and president of the Chinese Supreme Court, died at Hongkong on Sept. 27, at the age of 69. He was a native of Nanchang, Kiangsi and was a delegate to the Versailles Conference sent by southern Chinese interests at Canton. He participated in the Fukien independence movement in 1933-34 and served as Minister of Justice in the so-called People's Government at Foochow.

*

Joseph R. Maughan F.R.I.B.A., partner in the firm of Lester, Johnson and Morriss, died on Saturday, Sept. 20 as a result of an automobile accident. Mr. Maughan was driving his car on Route de Say-Zoong when he collided with a street car of the French Concession Tramways. He was a native of Newcastle, England and come to China about 25 years ago as an architect. He is survived by his widow, a daughter and three sons, two of whom are in the British forces in the war.

The Sin Wan Pao states that Chinese adherents of the Christian faith residing in Hongkong had purchased Chinese Thrift and Savings Bonds to the amount of Ch.$842,275. It was expected, stated the report, that the campaign among Christians in Hongkong, would bring in a total of a million dollars by Oct. 10, the Chinese national holiday. One Chinese Christian, the manager of the Tang Kung Ho Machine Works, whose name was not given in the report, contributed $170,000.

*

The American Junior Chamber of Commerce of Shanghai announced on Sept. 27 that its classes in the Chinese language would open on Oct. 14. Modern methods of instruction in both written and spoken Chinese will be used. Classes will meet three times a week in the offices of the Chamber at the American Club, 209 Foochow Road, at 12:15 and 5:15 p.m. Tuition is Ch $50 per term of three months. This is the fourth year of Chinese language courses offered by the Chamber.

*

Cornelius Vanderbilt Whitney, chairman of Pan-American Airways, who returned to San Francisco on Sept. 29 from an air tour of countries of the southern Pacific, recommended that the United States should call a conference of Pacific nations "at the earliest possible date." He urged that the conference be held in Manila and that delegates be invited from the Philippines, Netherlands East Indies, Australia, New Zealand and other interested countries. He said: "If Japan's intentions are peaceful, she will have a chance to prove it. If not, the other nations will have their chance to get together for mutual assistance." Mr. Whitney headed a group of American editors and businessmen on an airplane tour of the South Seas.

Fred C. Balfour, field secretary of the China District Army and Navy Y.M.C.A. for several years, who returned to the United States several months ago, died at Fort Leavenworth, Kansas on Aug. 16, according to word received in Shanghai last week. He was buried at Lynn, Mass.

*

J. R. Jones, British attorney at Shanghai, member of the firm of Ellis and Hayes, who returned to Great Britain on vacation some time ago, has written friends that he will not return in the immediate future as he is participating in one of the war services. Mr. Jones is a native of Wales.

*

Prof. Winifred Cullis, who is making a tour of the Far East on behalf of the British Ministry of Information, delivered an address before the Joint Committee of Shanghai Women's Organizations on Sept. 15. The Scandinavian Women's Association served as hostess at the meeting. Dr. Constance Cater, graduate of Cambridge, member of the staff of Lester Chinese Hospital, also addressed the meeting.

*

The British Ministry of Information is shortly to initiate an Empire publicity campaign in Great Britain to impress upon Britons the Empire scope of the war, **Reuter** reports. The idea will be promoted that there is nothing new in Chancellor Hitler's plan for a "new order" in Europe, whereas the British Commonwealth, based on goodwill and free association, is new and vital and something which works. The British Government is said to be working out a policy of war aims and post-war plans, and the campaign is intended to give public definition to it.

*

Lieut.-Gen. A. I. Isakoff, who was a representative in the Shanghai Russian community of the Russian Imperial House, died at the Orthodox Confraternity Hospital on Sunday, Sept. 29. Mr. Isakoff was born in 1865 and was graduated from the Nicolaiev Engineering Academy. He occupied the position of Assistant Inspector and Military Engineer at Vladivostok and in 1906 was appointed Chief Engineer of the Port of Vladivostok. In 1909 he was promoted to the rank of general. He came to Shanghai after the Russian revolution and since has been a teacher of mathematics here.

*

An American couple in Shanghai, Mr. and Mrs. Arthur Berlin, were granted the right to change their name from "Berlin," to "Burling" by Judge Milton J. Helmick in the U.S. Court for China on Monday, Sept. 30. Mr. and Mrs. Berlin stated that the name "Berlin" caused them embarassment as they were not Germans, Mr. Berlin being a native of Cambridge, Mass., and Mrs. Berlin a native of England who had been naturalized as an American citizen in 1933. Mr. Berlin has been an official of the Chinese Maritime Customs since 1923.

Major Evans F. Carlson, formerly intelligence officer with the U. S. Marines at Shanghai and later a special investigator in the interior of China, delivered an address in Manila on Sept. 21 in which he urged foreign aid—short of war—for China in order to keep Japan's hands full "and prevent her from carrying out her so-called South ward Expansion Movement." Major Carlson, who resigned last year, said that Japan would enter the Philippines after the U. S. leaves the country. Major Carlson's address was delivered at the University of the Philippines. James Bertram, who also spoke from the same platform, urged Anglo-American cooperation in the Far East. He said that China would win the war against Japan if given proper support.

The German **Transocean** service, in a report from New York on Sept. 22, said that the United States is entering upon a "mammoth shipping boom," with 330 freighters, passenger liners and tankers under construction. The report said that the sale of old vessels to Britain had proven a boon to American shipping as companies were now able to build new tonnage without government subsidy.

*

Gen. Lun Yun, governor of Yunnan, will become president of the Board of Administration of an official company which will control all tin mines in Yunnan Province, according to **Havas** report from Chungking on Sept. 30. The report stated that the merger of all mines into a single concern will permit the use of modern methods of extraction and will result in increased production. The Board of Administration will include in its membership Dr. Oung Wen-hao, Minister of Education.

*

The Tokyo Pan-Pacific Club, branch of the Honolulu Pan-Pacific Union, will "lessen its activities," according to **Domei** report from Tokyo on Sept. 26. The organization contains a large membership of Japanese and foreign residents and has been active in the entertainment of foreign visitors to Japan. The report stated that the organization will not be dissolved. A similar club in Shanghai discontinued its meetings after the outbreak of hostilities in 1937. Owing to the "unpopularity of the international situation," the officials of the Pan-Pacific Club announced on Sept. 25 that they would discontinue the annual practice of celebrating "Balboa Day," (Sept. 25) in commemoration of the discovery of the Pacific Ocean by Vasconunez de Balboa in 1513. Previously the Tokyo club had made much of the day by inviting all foreign diplomats in Tokyo to attend as guests of the organization.

Gen. Wu Te-chen, former mayor of Shanghai and now Minister of Overseas Affairs of the National Government, is in the Philippines on an official trip on behalf of the Government. The former Shanghai mayor was entertained on the evening of Sept. 27 by the Chinese Chamber of Commerce of the Philippines and on Sept. 30 was the guest of Francis B. Sayre, U.S. High Commissioner. Gen. Wu was welcomed on arrival by President Manuel Quezon and other high officials of the Philippine Commonwealth.

*

Philip E. Lilienthal, who will have charge of the publication program of the Institute of Pacific Relations, is expected to arrive in Shanghai shortly and will make his headquarters here for several months. Robert W. Barnett and Mrs. Barnett of the Research Staff of the Institute of Pacific Relations, are also expected to arrive in Shanghai shortly and will remain here for some time to study wartime developments. The announcement of these appointments was made by W. H. Holland, research secretary of the Giannini Foundation, University of California.

*

A third "Bowl of Rice" drive for Chinese civilian relief was launched in New York on Sept. 17. The chairman of the drive is Mayor Fiorello La-Guardia, Mayor of New York, who was recommended for the position by Col. Theodore Roosevelt, who headed the previous drives. Miss Anna May Wong, famous Chinese Hollywood screen star, attended the ceremonies inaugurating the drive in New York. The drive will end in New York on Nov. 1 with two large rice-bowl dinners, one in Chinatown and the other, accompanied by a grand ball, at the Waldorf-Astoria. Others assisting in the national campaign include Niles Trammel, president of National Broadcasting Company and William Allen White, noted Kansas editor.

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CUSTOMS NOTIFICATION NO. 1646

Notice is hereby given that, Thursday, the 10th October 1940, being a Customs Holiday, the Custom House will be closed and the shipment and delivery of cargo suspended on that date.

(L. H. LAWFORD)
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 1st October 1940.

In the United States Court for China

KATHERINE V. HIGBY, *Plaintiff,* vs. LESTER HENRY HIGBY *Defendant.*	Cause No. 4523 Civil No. 2402 ORDER Filed at Shanghai, China, Sept. 28, 1940 WILLIAM T. COLLINS Clerk.

The object of this suit is an action for an absolute divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 28th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since during the last six months, and that defendant's last known address was 2510 Main Street, Boise, Idaho, United States of America.

NOW, THEREFORE, it is this 28th day of September, 1940, Ordered that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China,
this 28th day of September, 1940.

MILTON J. HELMICK
Judge.

A bill was introduced in Congress at Washington on Sept. 19, authorizing the Secretary of War to grant the Standard-Vacuum Oil Company and the Asiatic Petroleum Company the right to construct and operate oil and gasoline pipe lines across the U. S. military reservation at Camp Wallace in the Philippines. The bills were referred to the Senate Military Affairs Committee.

*

The Sino-Soviet airline, connecting China and the USSR, is now operating a plane each way every Tuesday. The section between Chungking and Harmi is operated by the Ministry of Communications of the Chinese Government while the service between Harmi and Russia is operated by the Sino-Soviet Aviation Company. Passenger fare from Chungking to Moscow is Ch.$2,017.10.

*

The Japanese military organ, **Tairiku Shimpo,** published in Hongkew, reported on Sept. 20 that Japanese interests had organized the Pengpu Tobacco Company on August 29. The meeting was held at the Japanese Consulate-General at Nanking. The company is capitalized at Ch.$200,000 and will purchase tobacco leaf for Japanese-controlled cigarette factories in Honan and Shantung provinces. The report claimed that 13 Japanese concerns and an undisclosed number of Chinese joined the new concern.

*

Daikichiro Tagawa, 70-year-old member of the Japanese House of Representatives and well known as the president of a mission school, Meiji Gakuin, was indicted by the Osaka District Court on Sept. 26 on a charge of "spreading false rumors." According to **Havas** report from Tokyo, Mr. Tagawa has not been placed in jail and will be tried shortly.

*

The Executive Yuan of the Chinese Government issued an order on Sept. 27 prohibiting discrimination in any form against followers of the Mohammedan religion in China. The order pointed out that religious freedom was an inalienable right of the people as specified in the Provisional Constitution and henceforth no barriers should be set up between Mohammedans and adherents of other sects. The Executive Yuan previously issued an order prohibiting the use of the term "Mohammedan race" in referring to members of that faith.

*

Mrs. Marie Spreckles Elizalde was granted a divorce at Reno, Nevada on Sept. 27 from Angel Elizalde of Manila. The decree requires Mr. Elizalde to pay his former wife US$60,000 alimony during the next three years. Mrs. Elizalde, who is a member of the prominent Spreckles family of California, charged her husband with mental cruelty. She was granted custody of their three children. As a result of a property settlement out of court, Mrs. Elizalde dismissed a suit she had filed for US$600,000 against her husband.

*

M. Nicolas, who claimed to be a Greek, last week telephoned the Cathay Hotel, representing himself to be a member of the local French Consulate-General, and engaged a room. Nicolas then went to the hotel, ordered an elaborate dinner and plenty to drink and spent an altogether enjoyable evening. In the morning, when the Cathay Hotel clerk presented a bill, Nicolas said he had to go to the bank to exchange some Hongkong money for national currency. When Nicolas failed to return, the Cathay clerk phoned the police and after a considerable time Nicolas was found at the Park Hotel, where he was trying to work a similar racket. The French police stated they had been trying to arrest Nicolas on other charges, hence he was remanded to jail for a week for investigation.

As a result of the flooding of the old air-field at Tientsin, the Japanese have constructed a new field and have announced resumption of air service between Tientsin, Mukden, Dairen and Shanghai. The Japanese claimed the new airfield at Tientsin is the largest in the Orient. A further extension of the Japanese airlines to Taiyuan and Tsingtao, was also announced.

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In the United States Court for China

IN RE: ESTATE OF CHARLES JOSEPH GALLOT, Deceased.	Cause No. 4529 Spe. Proc. No. 2408 NOTICE Filed at Shanghai, China, October 1st, 1940. WILLIAM T. COLLINS Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the Estate of Charles Joseph Gallot, deceased, to present the same with vouchers to the undersigned on or before April 15th, 1941, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Myron Wiener.
Administrator of the Estate of
Charles Joseph Gallot, deceased.

Messrs. Rodger & Wiener,
181, Kiangse Road,
11th floor,
Shanghai, China.

Shanghai, China, October 1st, 1940.

New Books of Interest in the Far East

Woman Reporter in China

NEWS IS MY JOB—By Edna Lee Booker. Macmillan Co., New York, 1940. 369 pages, Price, US$3.00.

This book should be included in every library of modern Chinese history. It does not pretend to be a complete history of modern China, but it covers a remarkably broad field when one considers that it is almost entirely first-hand reporting by one of the most competent woman correspondents ever to write about this country.

But it is more than a history. Essentially Miss Booker has written a fascinating story of personal adventure which still holds its interest even for those who have shared some of the experiences with her. She has the ability to inject her personality into her work and the reader will find himself sharing her every emotion, particularly her enthusiasms.

Miss Booker includes in her book a number of exclusive interviews with prominent Chinese leaders of yesterday and today which are now fortunately under covers more durable than the newspaper page. In addition, she has recorded how the average American woman of the second quarter of the Twentieth Century lived in China, not only in the Westernized treaty ports, but also in the hinterland amidst civil war or foreign invasion.

Miss Booker's contemporaries in China will find many familiar anecdotes in "News is My Job" and frequently will be amused by the reflection they see of themselves and their daily lives. Future historians will find highly valuable material in Miss Booker's volume when the full story of this era of the foreigner in China comes to be written.

While the book is an expert piece of writing, the reader finds himself asking, "Which is more remarkable, the book or Miss Booker?" Such a book could not have been written except for Miss Booker's continuous search of adventure, her nose for news and her willingness to undergo any risk or hardship to be on the scene to get the story first-hand. Writing sometimes as a fearless, front-line reporter, sometimes as an excited bride, sometimes as a mother, Miss Booker displays a keen appreciation of life. She has an intensely human understanding of the Chinese people. She was a supporter of Sun Yat-sen from the early days and is deeply devoted to Generalissimo and Madame Chiang Kai-shek today.

To chronicle the field covered by Miss Booker would be only to recite the chapter headings of any history book of China covering the past 18 years—and this would be unfair.

What the reader may expect of Miss Booker may be seen in the following quotation, an example of her ability to work together into a few paragraphs a picture of the social life in China, the political problems, and the character of the outstanding personalities with whom she comes in contact:

"I had tiffin my first day back in Shanghai at the American Consulate. Linda Cunningham had invited me to one of her famous curry tiffins—chicken curry, a pomelo salad and, for dessert, the Indian Gu-la-ma-la-ka which was served with fresh coconut milk and a thin syrup.

"Mayling Soong was among the guests; and as soon as possible after lunch we stole away to one end of the living room to talk over the political situation in China.

"Miss Soong was searching in her questions as to my impression of the northern war lords; she was anxious that I be not unduly impressed by them; she was also most earnest in her explanations of the aims of the southern government. I am certain that it was Mayling Soong who laid the foundations for whatever understanding of present-day China I may have. She was so ardent, so intensely patriotic, so fine in her belief in China. Her enthusiasm struck a deep, responsive chord in me and I began to glimpse the undercurrent of dynamic forces which were sending China forward; to realize that the apparent chaos in the land was the inevitable struggle which accompanied the transition period between the passing of an old regime and the birth of a new order."

And Miss Booker does not mean Japan's "new order."

R.T.B.

The Church in Manchukuo

TODAY IN MANCHURIA: The Young Church in Crisis — By T. Ralph Morton. London, Student Christian Movement Press, 1939. Paper, 128 pages, map, Price, 2/6d.

STEWARDSHIP IN KOREA—By Herbert E. Blair. Chongno, Seoul, Christian Literature Society of Korea, 1938. Paper, 46 pages.

These two publications emphasize the universal character of the Christian church. The young church in Manchuria has faced serious problems in the years since Japan's entry into that country in 1931. In the nine years since then, the faith of the Christians has been tested through suffering and opposition. At first, says the author, the friendly attitude of the state toward the church was due to the state's desire to use the church as an agent for molding the sentiments that they wished to build up in Manchukuo. The changed attitude was seen increasingly after the arrest of sixty Christians in October, 1935. Mr. Morton uses the experiences of the Manchurian church as an example to the Christian church in all parts of the world where it is meeting with opposition and trials.

The second publication deals with the practical experiences of the church in Korea during seven years' effort for self-support. The discussion of the particular problems which faced the Korean church and the methods used to solve them will give helpful suggestions to churches not only in the east, but throughout the world.

F.

War Propaganda

WAR AIMS—By G.D.H. Cole. London, New Statesman Pamphlet, Nov. 1939. 58 pages, paper.

GERMANY 1914-1939—By Hugh Byas. British Information Series No. 2. Tokyo, Department of Information, British Embassy, 1939. 16 pages, paper. Free

NAZI NEEDS AND RUSSIAN RESOURCES—By M. B. Thresher, B. Sc., British Information Series, No. 3. Tokyo, Department of Information, British Embassy, 1939. 13 pages, paper. Free.

A STUDY OF THE YELLOW BOOK ON THE ORIGINS OF THE EUROPEAN WAR, 1938-1939. From the Official French Documents—Place of publication and publisher not given. 92 pages, paper.

The four pamphlets here reviewed are types of propaganda material being produced by the democracies in this war. Propaganda has its proper place,

In the United States Court for China

ELSIE CHICO, *Plaintiff,* vs. ANTOLIN SANTOS CHICO, *Defendant.*	Cause No. 4524 Civil No. 2403 ORDER Filed at Shanghai, China, Sept. 20, 1940. WILLIAM T. COLLINS *Clerk.*

The object of this suit is an action for Divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 20th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 20th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 20th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since August, 1939, and that defendant's last known address was No. 1777 MANGAHAN Street, Manila, Philippine Islands.

NOW, THEREFORE, it is this 20th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 12th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 20th day of September, 1940.

MILTON J. HELMICK,
Judge.

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In the United States Court for China

CARL LELAND MOSSBERG, *Plaintiff*	Cause No. 4527 Civil No. 2406 ORDER
vs.	Filed at Shanghai, China,
LILIAN R. MOSSBERG, *Defendant*	Sept. 28, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorney, Mr. Orin de Motte Walker has this 28th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was: No. 3021 Swift Ave., Los Angeles, California, U.S.A.

NOW, THEREFORE, it is this 28th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court.

MILTON J. HELMICK
Judge

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for each side must present its view; but the reader would ask at least for a clear statement as to the source of information, the place of publication. Otherwise he does well to disregard the publicity completely.

The first pamphlet by the well-known British economist and socialist, Mr. Cole, is the only one of the four to be taken seriously. A publication by the "New Statesman" is worth consideration. This pamphlet has a well-considered statement of what Allied war aims should be and makes an especial appeal to those who believed that the Chamberlain Government's dependence upon vested interests could not bring a successful conclusion to the war or to the ensuing peace.

The second and third pamphlets, called British Information Series, are published in Tokyo by the Department of Information of the British Embassy. These are short, elementary and, as may be expected, very eager to persuade the reader of eventual Allied success. It is unfortunate that the British Embassy did not put its imprint on or assume responsibility for the Byas publication in an English title page, although the publication is in English.

Very short-sighted indeed is the agency which has put out the study of the French Yellow Book, a government collection of diplomatic documents on the origins of the war. The reader is not assured of an honest transcription of documents when no publisher is given. Also, what person will credit this unsigned statement in the introduction: "The analytical comment, free from all bias or intention of polemic, can be considered as nothing but a guide to the reader of good faith."

F.M.R.

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In the United States Court for China

PAULINO CELESTINO BATAYAN, *Plaintiff*,	Cause No. 4528 Civil No. 2407 ORDER
vs.	Filed at Shanghai, China,
ROSARIO SO BATAYAN, *Defendant.*	Sept. 30, 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action to dissolve the bonds of matrimony between the parties hereto.

WHEREAS, plaintiff herein, by his attorneys, has this 30th day of September, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 30th day of September, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 30th day of September, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since during the last six months, and that defendant's last known address was care of her mother, Senora Maria So, in the barrio of Panapaan, town of Bacoor province of Cavite, Philippine Islands.

NOW, THEREFORE, it is this 30th day of September, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 7th day of October, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China, this 30th day of September, 1940

MILTON J. HELMICK
Judge

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